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HOUSE OF COMMONS
Second Session—Twenty-second Parliament
1955
Government
Publications

SPECIAL COMMITTEE
ON
BROADCASTING

Chairman: Dr. PIERRE GAUTHIER

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 4



THURSDAY, APRIL 28, 1955
FRIDAY, APRIL 29, 1955

WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian
Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE ON BROADCASTING

Chairman: Dr. Pierre Gauthier

Vice-Chairman: Mr. G. D. Weaver

and

Messrs.

Balcer
Beaudry
Boisvert
Bryson
Carter
Cauchon
Decore
Diefenbaker
Dinsdale

Fleming
Gauthier (*Nickel Belt*)
Goode
Hansell
Henry
Holowach
Kirk (*Shelbure-
Yarmouth-Clare*)
Knight

McCann
Monteith
Reinke
Richard (*Ottawa East*)
Richardson
Robichaud
Studer

R. J. Gratrix,
Clerk of the Committee.

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MINUTES OF PROCEEDINGS

HOUSE OF COMMONS

Room 118

April 28, 1955.

The Special Committee on Broadcasting met at 3.30 o'clock p.m. this day. Dr. Pierre Gauthier, Chairman, presided.

Members present: Messrs. Balcer, Beaudry, Bryson, Carter, Decore, Dinsdale, Fleming, Goode, Hansell, Holowach, Kirk (*Shelburne-Yarmouth-Clare*), Knight, Reinke, Richard (*Ottawa East*), Robichaud and Weaver.

In attendance: From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, C. E. Stiles, Director, Personnel and Administrative Services, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, M. Ouimet, Assistant Director of Programmes, D. Manson, Special Consultant, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation.

The examination of Mr. Dunton on the Annual Report was continued; Mr. Bushnell answering questions specifically referred to him.

Mr. Dunton answered questions asked by Mr. Carter at the previous sitting, as to the construction cost of certain radio stations.

At the request of Mr. Hansell, Mr. Dunton tabled the following documents:

1. Number of C.B.C. Employees as at March 31, 1955, and
2. List of C.B.C. Personnel working in Talks and Public Affairs Programming.

On motion of Mr. Hansell,

Ordered,—That the said documents be printed as an appendix to this day's evidence (*See Appendix "A"*).

Mr. Dunton, at the request of Mr. Hansell, tabled the following radio scripts written by Mr. Reuben Ship:

1. The Investigator.
2. The Man Who Liked Christmas.

The Chairman informed the Committee that copies of the said scripts would be available in the office of the Clerk of the Committee.

At 5.30 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Friday, April 29, 1955.

Room 118,
FRIDAY, April 29, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, Chairman, presided.

Members present: Messrs. Balcer, Beaudry, Boisvert, Carter, Decore, Dinsdale, Fleming, Goode, Hansell, Holowach, Knight, Richard (*Ottawa East*), Richardson, Robichaud and Weaver.

In attendance: From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, E. L. Bushnell, Assistant General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, D. Manson, Special Consultant, C. Jennings, Director of Programmes, J. P. Gilmore, Coordinator of Television, R. E. Keddy, Secretary of the Board of Governors and J. A. Halbert, Assistant Secretary.

The Committee resumed consideration of the Annual Report 1953-54 of the Canadian Broadcasting Corporation.

A film, entitled "Ten Minutes to Hamlet", highlighting the activities necessary in the preparation of a typical television programme, was shown by the C.B.C. officials.

Mr. Dunton was questioned on the various phases in the production of television programmes.

Messrs. Gilmore and Bushnell answered questions specifically referred to them.

At 12.50 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock a.m., Thursday, May 5th, 1955.

R. L. Gratrix,
Clerk of the Committee.

EVIDENCE

APRIL 28, 1955.

3.30 p.m.

The CHAIRMAN: Gentlemen, I am sorry to have disappointed you but due to the shortage of rooms and reporters we were obliged to cancel our morning sitting. I apologize to Mr. Dunton and to his officials.

I have here a letter received on the 5 of April which I will read to the committee.

Dear Mr. Gauthier:

At a meeting of the National Executive Committee of the United Nations Association held a few days ago, I was requested to write to you expressing the appreciation felt by the Association for the excellent support given by the Canadian Broadcasting Corporation to the United Nations. It is the opinion of the Association that CBC performs an exceedingly valuable function in helping to inform Canadians about many aspects of international affairs and we are particularly glad that attention has been given to the constructive work that is going on in many parts of the world.

We feel that the development of an informed international outlook is of the greatest importance and we congratulate CBC for its effective contribution toward this objective.

Sincerely yours,

(Sgd) KATHLEEN E. BOWLBY,
National Secretary.

I would like to meet with the agenda committee immediately after the sitting, if that is convenient to the members of that committee.

Mr. REINKE: Who are the members of that committee, Mr. Chairman?

The CHAIRMAN: Mr. Fleming, Mr. Knight, Mr. Hansell, Mr. Boisvert, Mr. Decore, Mr. Kirk and myself.

Now, we were discussing station relations in the report. Shall we continue?

Mr. GOODE: May I ask one question at this point? In the report, the minutes of proceedings, on Friday April 22, on page 186, Mr. Ouimet was asked regarding the relations between a channel in the lower mainland of British Columbia, 690, and 1130.

"Would you then permit a private station to apply for that?"—meaning the 1130 channel—

"...and would you recommend that it be given?" and the answer to that was:

"It depends largely on the financial question."

I am rather concerned, knowing the surplus of the C.B.C. this year, that Mr. Ouimet should say that financial matters would restrict operations in regard to that channel. I will put this to you if I may: I am very anxious if the C.B.C. do not want to use this channel that some private people should be allowed to use it. I think that this is something that the lower mainland people may fairly expect. What did you mean by saying that it depends largely on financial questions?

Mr. OUIMET: I believe it was Mr. Dunton who answered that question.

Mr. GOODE: It could have been but yours was the last name on the list.

Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called.

The WITNESS: We are very concerned, of course, about our financing, in sound broadcasting as well as in television.

By Mr. Goode:

Q. I think I am entitled—I am the only member from British Columbia on the committee this year—to ask whether there is not some way in which an arrangement can be made by the C.B.C. to allow that 1130 channel to become open. It is my opinion, though you may hold a different one, that you are not going to use it. If you have another opinion I would have to accept it, but I do not think you are going to use that channel. It is quite likely that you have looked into the situation of opening up in Northern Vancouver, and I am all in favour of that, but there must be other channels than this 1130.—A. I do not think I can say much more than was explained at the last meeting. That was a channel for the C.B.C.—it was a channel originally reserved for the national system. We had hoped to be able to use it for needed coverage in other portions of British Columbia. Up to now we have not seen the financial possibility of doing so. We also have to consider the need for a service in the Yukon which we do not know if we can provide or not. We have not got the money at the present time. Therefore, so far, we have not recommended to the Department of Transport that the channel should be opened for other possible applications. The decision would be one for the Department of Transport, but naturally if we recommend that it should be opened I imagine they would do what we suggested.

Q. Have you had an application for this channel?—A. Not formally. We have heard from a number of different stations. Some applications have reached us, but we think that if and when this channel is opened up, it should be on a fair basis for all stations.

Q. It is not actually a question of financial considerations?—A. Yes, it is very much so.

Q. As far as the C.B.C. is concerned?—A. Very much so.

Mr. BRYSON: Mr. Chairman, when a station asks to go on the air do you take into account the ability of that station to earn enough money to carry on? Is that one of the requisites that would be considered important, among other things?

The WITNESS: When an application comes before our board for recommendation that is one of the things which we consider. We consider whether the applicant is likely to have the financial means to run a reasonably good broadcasting service.

The CHAIRMAN: Now, gentlemen, do we start on station relations?

Mr. FLEMING: It will presumably be more appropriate to ask the witness whom we will be having here later from the Department of Transport about the licensing of new stations and any changes in power which have occurred in the last couple of years. Since the report which we have before us was written, have there been any privately-owned stations added to the number shown on page 24?

The WITNESS: The networks? Yes. That is, the number of stations affiliated with the C.B.C.

By Mr. Fleming:

Q. If you bring these figures which appear in the second column on page 24 up to date I shall not go into them now in any detail because it might be better to do that when Mr. Browne comes before us, but it would be useful

to have the totals complete at this time.—A. Trans-Canada basic is the same. Trans-Canada supplementary is increased by one. Dominion is the same, and there is one additional supplementary on the French network.

Q. So that these figures are applicable to the present time with the addition of two privately-owned stations?—A. I think there is another which has been approved to be added to the French network and not yet added. The network won't be ready until July.

Q. So that we have two more operating and a third which will come into operation within another three months?—A. Yes.

Q. This affects the private stations. May I ask about the regulations which were tabled at an earlier date? I do not know if these were put on the record. We had a letter from Mr. Young, Manager of Broadcast Regulations with the regulations attached, revised and amended up to March 15, 1955.

The CHAIRMAN: They are not on record yet; I do not think they are. Shall we put these regulations on record? It is quite an extensive report. A copy has been distributed to all the members. Do you think it is necessary to put it on record?

Mr. FLEMING: I am not greatly concerned, Mr. Chairman. But I have a few questions on them. If there have been any changes in the regulations since March 15, perhaps Mr. Dunton would tell me what they are.

The WITNESS: There have been no changes since that date.

By Mr. Fleming:

Q. And what changes have been made, say, in the last two years?—A. I think just one—only one, Mr. Fleming—that, you remember, was shortly before the last committee started, I think. There had been a general revision of the regulations and one of the things that arose out of the hearing was the regulation relating to reconstructed or simulated broadcasts.

Q. I was going to lead up to that. Do I understand that that is the only change which has been made—that that is really the only effective change which was made in the course of the revision?—A. No, there were other changes in the wording of things.

Q. The board of governors was dealing two years ago with a draft. We were furnished with a draft. I just wished to hear you confirm, so to speak, that no changes in substance have been made under that revision of two years ago or since, apart from this matter of the simulated broadcasts.—A. Apart from that, there have been no substantive changes.

Q. On the subject of the simulated broadcasts I think we are informed by what we have read in the newspapers with regard to your consideration of this matter. Does it arise in any form as a problem apart from the simulated sports broadcasts?—A. It might. That is the only way the problem has come up. The way it came up, incidentally, to this meeting and brought about the meeting on this matter—there had been one or two instances before where the question had come up of stations reconstructing other events—but it was just the sports matter that brought up this request for a change in the regulations.

By Mr. Fleming:

Q. Has the board of governors reached a decision on the question?—A. No, we made a statement about it. It is quite brief and I could perhaps bring you up to date by quoting the following:

Following the hearing on this matter the Board is of the opinion that there have been abuses in the simulation of broadcasts of sports events through the use of information taken from transmissions of other stations broadcasting directly from the event. The Board considers this bad broadcasting practice which could have serious effects if continued. It

wishes to provide further opportunity for stations to consider the whole question of reconstructed broadcasts. At its next meeting the Board intends to establish a regulation restricting simulated broadcasts in order to prevent such practices unless there is full assurance otherwise that there will be no abusive use by other stations of information taken from direct actuality broadcasts.

Q. It is, I take it, a matter of the enforcement of regulations 12 and 13, is it not?—A. No, it is a separate matter from those. It gets rather complicated. This is not a question of the actual transmission from any station but a question of using the information very shortly afterwards.

Q. Yes. In this case there is a new broadcast?—A. Yes.

Q. But how extensive have you found this practice to be?—A. Not extensive. There have been a few cases—or what people have described as cases—which have come up and those who are worried about it think it might become extensive but so far it has not been widespread.

Q. It may relate to the spirit, perhaps less to the letter, of regulations 12 and 13. How are you approaching it under any specific regulation now?—A. It would be a question of a new regulation. That is why it has come up. I think the nearest thing to it would be 5(i)—the present regulation dealing with simulated broadcasts and the applicants were in effect asking that that regulation be broadened a good deal.

Q. I take it that the policy the board of governors is following is that where there is any attempt at simulation of sports broadcasts, or any other broadcasts for that matter, I suppose, the fact that it is a simulated broadcast should be made known at the time to the listening audience?—A. That is one thing about which we are worried—but whether the station has direct means of making its own reconstruction, but where there have been communications and where the station is apparently picking up someone else's broadcast and making a reconstruction from that, that seems to us bad broadcasting practice.

Q. And you are trying to stamp that out entirely?—A. I think our statement indicates that is what we are worried about, not just the reconstruction of sports events but the reconstruction from someone else's broadcast.

Q. There is no change contemplated in regard to networks of private stations apart from C.B.C. auspices?—A. No, nothing is contemplated at the moment and nothing has arisen to bring the matter up.

Q. I presume there is no change contemplated in relation to dramatized political broadcasts?—A. Our hands are tied by parliament; that is statutory.

Q. You have a regulation dealing with liquor advertisements. Was there not some question put before you last year that led to some consideration of this? I thought there was a change in the regulations or some regulation dealing with this subject.—A. Yes, and that is covered in this last draft.

Q. You did not mention that among the changes in the copy of the regulations before us. I take it it is not a change in substance?—A. It is a change to ten from fifteen in the minimum length of time.

Q. But there is no other change involved?—A. No.

Q. To what extent are you getting logs of private stations now?—A. They keep them and send them in to us.

Q. Regularly?—A. Yes.

Q. What do you do with them when they come in?—A. Our regulations department uses them for whatever checking purposes are necessary, both for the question of regulations and station relations.

Q. Could I ask you or Mr. Young what problems have arisen out of the review that is made of the logs?—A. I think I can mention one or two. The important one has been the proportion of time used for commercial announcements, especially spot announcements. As you are probably aware, the last

revision of the regulations changed the restriction on the use of spot announcements a good deal, and widened and broadened it. It now allows in any 15-minute period a total of 3 minutes in time to be devoted to spots, or not more than a total of four in number, and they can be at any time of the day. They are not prohibited from having them in the evening as before. The idea of the board in the last revision was to try and be realistic and to formulate regulations which are sensible, and which were discussed with the stations and which we thought in all fairness should be definitely applied over all, and a good deal of work has been done in trying to see that all stations stay within those limits, particularly on spot announcements.

Q. Coming back to the question I asked about the problems arising out of the review of the logs— —A. I say that would be one, for which the logs would be used a good deal.

Q. —I wondered if any particular problems had arisen out of any routine review of the logs of the private stations. Things are working smoothly, are they?—A. I think pretty well. Since the last revision of the regulations the whole matter of regulations is working quite smoothly, and I think the stations, too, would say that they do not have very many difficulties at all.

Q. What proportion of its time is the board of governors devoting to the regulatory aspects of the functions of the C.B.C. on the one hand, and what proportion to the operating functions on the other? Is it possible to give a broad answer to that question?—A. Yes. By regulating, you mean our time in making recommendations regarding licences?

Q. Yes. I am thinking about the relationship of the C.B.C. vis-à-vis the privately owned stations in Canada on the one hand, as compared with the time it devotes to the operation of the C.B.C. system as such on the other.—

A. Yes. Just about one-third is devoted to the regulatory and recommending functions and two-thirds to the operating.

Q. And does that represent something that is fairly constant now?—A. Well, I will put it this way. In the way I calculate it, we usually meet for three days at a time when we hold a meeting, although we may not sit through the whole third day. In terms of those three days, we usually spend one day or sometimes less than one day on the public hearings of the decisions and discussions arising out of them, and any other matters relating to regulations and on applications—it would be just about one-third.

Q. Has there been any change in that respect in recent years or has that proportion remained constant?—A. It is difficult to think back. I think perhaps it has been a bit heavier in the last year or two with the great number of television applications which have come in, and it might amount to as much as one-third, but quite often it is less than that, just depending on the number of applications coming before us. I would say it would run from one-third to one-quarter or 20 per cent.

Q. If there is any change, it is due to the advent of television?—A. Yes, because of the number of applications, but I think the hump of that work is over and I do not think we will have the same concentration of applications that we have had.

Q. I have just two other points, the first in regard to Canadian content and the second in regard to commercial content. Have you found any trend in this respect over all as a result of the review of the logs of private stations or in the light of the review of the logs of private stations?—A. No great change. One interesting thing is that some stations in the last two or three years have shown a great deal more interest and initiative concerning live programs, and there are interesting examples of live programs on some stations. But apart from that I would not think of any particular change.

Q. That means an opportunity for Canadian talent?—A. Yes.

Q. It means more opportunity for Canadian talent.—A. Yes, although I would not say there is very much over all; however, a few stations are showing an interest and initiative in the work.

Q. Is there any trend in respect of the commercial content of the programs?—A. I think that from what I know about broadcasting and the commercial content of private stations, it has been increasing steadily until last year. Since then, there have been signs of a levelling off, especially in some areas. Naturally a good deal of it refers to television, but on the whole, as I say, up until about last year the amount of business, and amount of commercial time was rising steadily.

Q. Was that still within the regulations?—A. Yes, although I think it was generally known until the revision of the regulations that there was a rather unreal position in the former regulations about the amount of commercial content. I think we now have realistic limits.

Q. I take it you attribute this levelling off and the more realistic position, as you have described it, to two things; one, the revision of the regulations of two years ago, and second to the advent of television?—A. I would not attribute the levelling off of business in any way to the regulation.

Q. No, I am speaking of the commercial content of the programs.—A. Yes, that would be a matter of spreading it more evenly through the time. I would not claim much credit for it. It is the question of the amount of business. I think it would be due in large measure to television and the increased number of stations in some areas.

Q. You spoke about some areas where the levelling off had been more noticeable. What areas were you referring to?—A. Areas where there has been more television and additional private stations.

Q. It has been a matter of more competition and private stations?—A. Yes.

Q. That has directly affected the commercial content of the programs?—A. It appears to have done so.

Q. I am not speaking of overall revenues, or anything of that kind, nor was I referring to the prosperity of stations. I was referring to the commercial content in the programs. Have we been understanding one another? I have been speaking all the way through about the commercial content on the private stations.—A. Yes, but it is difficult to separate the two because the first cause of commercial content on programs is business or orders from advertisers.

Q. I wanted to be sure that we were talking about the same thing, and the answers you have given have been directed towards that, because that is what I had in mind in asking the questions.—A. Yes, but I was referring quite a lot to the cause, or to the amount of business.

Q. I think we were at one in what we have been discussing.

The CHAIRMAN: Mr. Balcer.

Br. Mr. Balcer:

Q. Mr. Dunton, when an application has been made for a permit by either an individual or by a company, can this individual or company sell its permit to another person without receiving permission from the board?—A. All those things go to the Department of Transport to which applications are made, and then they come before our board, and both the department and ourselves watch very carefully for what might be called trafficking in licences or that sort of thing. We both are very interested when an application is made in knowing who the people are, what plans they have, what their financial backing is, what other connections they may have, and if an application for a transfer of interest in the station comes pretty quickly, a very good look is taken at it. We have always considered and I think other parliamentary committees have agreed, that it would be unfortunate if there was any element of trafficking in permission on behalf of the public to broadcast.

Q. When a situation like that occurs, does the board always find out the price of the transfer and so forth?—A. I do not know if “always” is right; we are usually informed or we may ask.

The CHAIRMAN: Any other questions?

By Mr. Fleming:

Q. Would you ask if you were not informed?—A. It would depend on whether or not someone on the board wanted to know.

Q. But there is no policy in that respect?—A. No.

Q. It would depend on whether or not someone happened to think of it?—A. Yes.

The CHAIRMAN: Mr. Knight?

By Mr. Knight:

Q. We have been discussing a lot of things under this heading and it is apparently all right to discuss the granting of licences and certain conditions under which they are granted. I was thinking about the subject Mr. Dunton has told us about before, and that is dual ownership, and triple ownership as the case might sometimes be. What I mean to say is that the concentration in the hands of one company, shall we say, or one organization—the communication in respect of radio and the press and, I suppose, television now—is a thing to which I wish to express my opposition first of all, for various reasons I need not go into at this time. I wonder to what extent such concentration exists, and if the board of governors has any regulation which governs itself in regard to that sort of thing, or has it any opinion concerning that sort of thing. It may be that their opinion is that it is proper under certain circumstances. I can understand that it might be easier to grant a licence to a station that is already operating a radio, but I am thinking largely of the numbers and I would like Mr. Dunton in answering that question generally to speak about the numbers of such duplication.—A. Mr. Knight, for some years the board looked particularly carefully at applications for sound broadcasting stations from newspapers, and I think this was done in all probability for the reasons you have mentioned. There would appear to be a danger if there was too much concentration of control of influence and information in some hands. We examined this question particularly carefully and saw that there were very sound reasons for the applications. About 1947 a parliamentary committee recommended that newspaper applicants be treated on the same basis as others and since that time we have done so. There was, however, another policy which went into effect following a definite recommendation of the parliamentary committee of 1942 which was against multiple ownership of stations by the same interests, and neither the department nor ourselves interpreted that as meaning that people who owned two or more stations should have to divest themselves of them. In our recommendations ever since then, however, we have recommended against the expansion of multiple ownership. We have recommended it in only a very few cases where there seemed to be some special circumstances such as a station in an outlying area, which seemed to be on its last legs and the only people who would go in and operate it already owned a station. Since then there has been a policy against the extension of multiple ownership of sound broadcasting stations by the same interests and in our recommendations with regard to television we are following the same general policy as can be seen from our recommendations whereby we favour new applicants as against applicants who already have interests in a station or stations. I might say that the subject is not a simple one because you get share owners with interests in stations but we try to watch these things carefully.

Q. These stations are privately owned and they would probably be in favour of a little healthy competition among themselves. I think you could have competition between two media even as different as the press and the radio because I have heard instances where radio and press ownership were synonymous; that is, they are in the same area and under some organized direction. The radio people are inclined to get their news from the press and I think that is the point where a little competition might be healthy. I think we would find it a healthy condition where we would have two radio stations under different ownership operating in the same town—

Mr. FLEMING: Does that apply to television?

Mr. KNIGHT: That might be a statement that someone might wish to refute later. Unlike Mr. Fleming I am not a skilled politician. I put my cards on the table and I say things as I see them.

Now, Mr. Dunton, could I ask you how many newspaper organizations or firms, or whatever the word is, also have radio under their control?

You will notice, Mr. Fleming, we have not yet come to television.

Mr. FLEMING: I was wondering if the principle you were laying down applied to television as well as to sound. It is a good principle.

The WITNESS: It will take a little time to total, Mr. Knight. I believe you asked for the number of newspaper organizations having control of sound broadcast stations?

Mr. KNIGHT: Yes, that was the idea.

The WITNESS: Would you like the information now or would it be all right if I were to supply it to you tomorrow? It would take some time to prepare.

Mr. KNIGHT: If it is difficult you could bring it in at a future date.

The WITNESS: We could count them now. At a quick count it would appear that there is something like 23 different publishing organizations having broadcasting interests.

By Mr. Decore:

Q. Does that figure represent a controlling interest or just an interest?—

A. In most cases it would be a controlling interest.

Q. It is just a controlling interest?—A. Yes, in most cases, although some of those interests have other controlling interests or minority interests in other different stations.

By Mr. Knight:

Q. How many cases of multiple ownership do you have? I mean by that, how many cases are there where you have people who own one, two, three or more stations?—A. About fourteen to sixteen. We would have to check that figure, but it is in that neighbourhood.

Q. Following up your former answer about newspapers, you tell me now it is no drawback on the part of the newspaper organizations when they are applying for a radio licence the fact that they own another medium of communication?—A. As a matter of policy it has not been taken that way.

Q. What do you think about the idea of one organization controlling a large percentage of the thought of the country? We are getting back to balance, Mr. Fleming.

Mr. FLEMING: It is a good principle!

The WITNESS: I will put it this way. I think the board at times has had some qualms on some of these recommendations because in certain areas in particular you get several different means of communication in the same hands. On the other hand, it has always seemed under some circumstances like the

most sensible thing to do. On the other hand, as I said, the board in its recommending policy has very definitely provided a check on the expansion of multiple ownership of stations.

By Mr. Goode:

Q. Was the same opinion held by your board of governors when an application was refused in British Columbia just a few weeks ago?—A. Yes, just for that reason, because it was an expansion of multiple control of stations.

Q. It was a sale, and you refused?—A. Yes, it was a sale; a proposed transfer.

Mr. KNIGHT: I am for the dissemination to the widest extent possible of all ideas, and I do not think putting four or five organizations of communication in the hands of one section of the people is advisable. I believe in hearing all sides of every question, and I believe in the value of reaching our own conclusions. I do not think multiple ownership is conducive to that idea.

Mr. HANSELL: On that point, the newspapers that own radio stations do not promulgate their views over their radio stations at all, do they? It is purely a station owned to complement their newspaper business. They do not even have editors from their newspapers on the air. It is there to complement their advertising. They run programs the same as any other station, and give news broadcasts as other stations do. The newspaper does not own the station for the purpose of putting their editorial views over the air.

Mr. BRYSON: Mr. Chairman, I wish to take very violent issue with Mr. Hansell on that score because I would be very suspicious of the news editors in a great many of the stations of which I have had personal knowledge. I would like to support Mr. Knight in his argument. As I understand it, the Australian Broadcasting Corporation limits ownership by any one organization to four stations in the whole of Australia, and I was wondering if the C.B.C.—in the light of the fact that 41 stations in Canada are owned wholly or in part by the newspaper industry in this country, according to a report I heard—would not give further consideration to that aspect?

The WITNESS: I think that in some ways the policy we have been following goes further than that. Our board has consistently recommended against any extension of ownership of two or more stations by the same interest whether or not that interest is a newspaper. On the other hand before that policy came into being, there was some fairly large concentration of control by the same interests in broadcasting. As I say, I think we have been instrumental in checking the expansion of that to a large extent in the last years.

Mr. KNIGHT: You have not interfered with any multiple ownership that was already in existence?

The WITNESS: No.

Mr. RICHARD (*Ottawa East*): Are there many that have more than four stations?

Te WITNESS: The R. H. Thompson Interests, for instance, directly control, operate and have an interest in five sound broadcasting stations, I think.

Mr. FLEMING: Are they located in such a way, as to be near one another geographically?

The WITNESS: North Bay, Kirkland Lake, Timmins, Peterborough and Kingston. They do not control the latter two. I think they operate them with other interests who have 51 per cent control.

Taylor-Pearson-Carson Interests have fairly large ownership—that is 50 per cent or over—in four, and ownership and provide the operating management in two more, with some minor interest in a few others.

By Mr. Goode:

Q. How many other stations have they an interest in, Mr. Dunton?—A. They and other associated interests have an interest in four others, I believe.

Q. It would be 12 altogether?—A. No, it would be 10 altogether.

Q. All situated in western Canada?—A. They have an interest in the Hamilton station CKOC in the east.

Mr. KNIGHT: That is a private enterprise business, which is totally opposed to the idea of monopoly in radio. I am suggesting to you there is a near monopoly where you have 10 or 12 stations under one control.

Mr. GOODE: Who said they are against monopoly in radio?

Mr. KNIGHT: I did not imply that you said that. I said that this is a private enterprise, which by its very nature and definition, if you like, is opposed to the monopoly.

Mr. RICHARD (*Ottawa East*): Could we allow Mr. Dunton to finish the answer to that question?

The CHAIRMAN: He has finished.

Mr. RICHARD (*Ottawa East*): Is that the end?

The WITNESS: Yes.

Mr. RICHARD (*Ottawa East*): There is no great multiple ownership in Canada then—not even as much as in Australia where they allow four?

The WITNESS: Did you ask for four or more?

Mr. RICHARD (*Ottawa East*): Yes.

The WITNESS: The Gour Interests in northern Quebec control four. That seems to be all with four or more.

Mr. RICHARD (*Ottawa East*): That is not as many as is the case in Australia.

Mr. KNIGHT: I suggest that whoever asked the question on the basis of the four is granting quite a lot. I think four is a lot.

Mr. RICHARD (*Ottawa East*): That is because someone compared Australia.

Mr. KNIGHT: My question was based on the figure of about how many organizations control and operate more than one, because as far as I am concerned, that is about as far as I am prepared to go.

The CHAIRMAN: Mr. Richard asked about four or more.

Mr. RICHARD (*Ottawa East*): Yes, because someone raised the point that in Australia the regulations allow four or more stations and I wanted to find out how we stood in this country and apparently multiple ownership is not widespread as far as four or more stations are concerned.

Mr. KNIGHT: The word “multiple”, as I understand it, means “more than one”, and I would like to know how many stations practice multiple ownership?

The WITNESS: I said that subject to checking and according to our latest figures, it looks as though there are from 14 to 16 interests that have controlling interests in more than one station.

Mr. KNIGHT: Could I put it the other way, and ask how many stations are so controlled under the system of multiple ownership?

The WITNESS: I think we can give that to you in a few minutes.

Mr. FLEMING: Would it be more satisfactory to prepare this list and present it later? You appear to have a list before you. Does it show the internal ownership and stock control.

The CHAIRMAN: The answer to the last question is on the record now. It has been put on the record by Mr. Dunton.

The WITNESS: I think this was material which was got ready for the last parliamentary committee, and has not been completely brought up to date.

Mr. HANSELL: On the question of multiple ownership may I ask how many stations does the C.B.C. own?

The WITNESS: I think it is 22 standard stations and a number of low power relay transmitters.

Mr. HANSELL: Could we conclude then they are breaking their own regulations?

The WITNESS: No. We are a national system and this policy does not apply.

Mr. BEAUDRY: Mr. Dunton, is there any possibility that multiple ownership in some cases is dictated more by circumstances than it is perhaps by an actual desire of ownership?

The WITNESS: As I indicated at the beginning there have been some cases where our board has recommended an ownership or control which is interested in more than one station—where in the circumstances it seems desirable and necessary; for example a station in an outlying area where it appears that one would not be possible otherwise, or where a station was in difficulty and perhaps only people who already controlled another stations would carry it on.

Mr. BEAUDRY: I was referring to a case of the Gourd group with which I am familiar in northern Quebec where I am given to understand there would be no coverage for the area at all unless the same ownership has been able to extend to more than one station?—A. I believe an application was made three years ago for a station in the Val d'Or-Lasarre area and I think it was clear from the evidence before the board that there was no likelihood of any station being operated there otherwise.

Mr. KNIGHT: I would like to ask Mr. Dunton how many organizations control or have a licence to operate only one station?

Mr. FLEMING: It would be simpler to get the table and put it on record.

The CHAIRMAN: There are only two questions to answer; then it will be on the record.

Mr. KNIGHT: I think that as a matter of fact we have a large number of private stations in Canada under multiple ownership and I want to answer the inference raised by my friend Mr. Hansell when he suggested that the C.B.C. was also a monopoly because it owns a good many stations. I want to say that as far as I am concerned there is a distinct difference between the two monopolies. One is a monopoly owned and controlled by the public of this country through representatives in parliament who represent the people of this country. And the other is under the control of private interests in this country over which there is no control except for such control as is provided for in the regulations of the C.B.C., and we have after all a parliamentary committee which can look into things like balance, Mr. Fleming or things like balance of views, Mr. Hansell. I think that is good and helpful but over the other monopolies which call themselves and really are private monopolies we have not that same degree of control, and I am simply pointing this out so that it may be clear on the record, and I don't look too much like a fool on account of Mr. Hansell's interjection.

Mr. FLEMING: I think Mr. Knight said these stations called themselves "private monopolies". I do not think that he means that. I have never heard that being suggested. I think Mr. Knight will be fair enough to acknowledge that while the C.B.C. operates on a national scale there is no network permitted among stations in private hands, whether they are owned by the same owner or not. I am not dealing now with the question of multiple ownership, but with

the question of monopoly. I take it that even if there were no other private station in an area it would only be a local matter, anyway. I don't know whether I can put a question here now . . .

The WITNESS: I think we have the information which is required. It has been assembled hurriedly, and is subject to checking. It looks as if 34 sound broadcasting stations are under multiple ownership and 121 under individual ownership. That is subject to checking of cross-share interest and that sort of thing.

Mr. HANSELL: Are we still on these documents governing regulation?

Mr. HOLOWACH: We have heard comments with respect to the ownership of the existing broadcasting stations. I am interested in a different phase. I would like to know what chance someone has of entering this particular business field. What are the main factors involved in the refusal of the issuance of a licence to an applicant, apart from the ones you have already touched on? I suppose, that during the past five years for example, you have had numerous applications for the issue of a licence and I understand a proportion of them have been refused. What are the factors involved in refusing a licence to an applicant?

The WITNESS: The first hurdle which an applicant has to overcome is the finding of a frequency, and it is up to the applicant to prove that there is a usable frequency for the area which he wishes to serve. To most people who have thought about applying for a broadcasting licence that, I think, has been the greatest hurdle because in many parts of the country good frequencies are extremely scarce. In many cases it may be the applicant can find a frequency, but he can only transmit a very inferior signal, that is, a signal which is inferior to other stations already operating in the area. Then an applicant has to consider if he still wishes to apply, considering that that channel may not enable him to do as good a job as existing channels.

If an applicant's engineers find a suitable frequency, however, he makes his application to the Department of Transport, providing full details about his background, the background of himself and his associates—should he propose to form a company—together with details about their financial backing, their plans for operating the station and so on. Then, when the application comes before the board, they first of all have to be satisfied by the technical people that the frequency question has been satisfactorily settled, and that the applicant will not infringe any international agreements or interfere with existing stations. After that we try to consider the general effect of the new station on broadcasting in that particular area—whether a new station is likely to do something useful for broadcasting.

Q. Did you say "general effect"?—A. Yes.

Q. What do you mean by that?—A. Usually it can be taken for granted that an additional station in an area will provide a supplementary service, but we have some cases where existing stations will come before us and say: "If one more station is added here it will affect our operations and our net revenues in such a way that we shall not be able to do as good a job as we did before," and the general result will be the depressing of the general level of broadcasting service available in that area.

In some cases the Board has thought that such arguments were sound in the circumstances and has recommended against the application. I think however that in the last two or three years, speaking from memory, we have recommended favourably on many more applications than we have recommended unfavourably.

Q. Have you the figures available there?—A. When an application comes up we weigh all sorts of things—the apparent business possibilities for that station included. We are not interested in whether the applicant makes or

loses money. That is his business. But we are interested in the broadcasting service and he has to have funds in order to provide it. We look at the applicant and we consider his plans; we also look at the possible affect on other broadcasting stations serving the area.

Mr. HOLOWACH: Would you have the figures there of the total number of applications made and the number of licences issued?

The WITNESS: We could get them in just a few minutes.

By Mr. Fleming:

Q. Could I go back and ask a question about this matter of determining multiple ownership. Do you require a breakdown of the stock ownership with regard to privately owned stations?—A. Yes. We examine the question of stock ownership.

Q. You have complete access to the records of the stock ownership of all the stations?—A. We have access, although sometimes we have trouble in seeing that the figures are up to date.

Q. So you have a complete record with respect to ownership on a multiple basis?—A. The department gets that and supplies us with the information which we use in making these recommendations.

By Mr. Goode:

Q. Going back to the question asked by Mr. Holowach. In granting a licence, Vancouver for instance is served by seven stations up to the time permission was last granted. What would be the thinking of the C.B.C. in granting another radio station to the Vancouver area?—A. In that case we have had other similar applications previously and have recommended against them—cases in which one or more of the present stations have come before the Board and stated that more stations would depress the level of broadcasting in the city and not add to it. I think applicants were turned down two or three years ago because we thought the arguments were against a station. This time the applicant made strong arguments for having a station particularly to serve the communities on the north side of Vancouver and this time nobody argued against them. The other stations were informed of the application and asked if they had any views on the matter but they did not argue against it, so the Board thought that a case had been made out.

Q. You would not accept those arguments on the part of the other private stations just on the fact that the arguments would come from a competitor, but you would consider them on the merits of the case?—A. Absolutely.

Q. Would those merits still apply in regard to this last application? I am not against the application. I am trying to find out your thinking. Would not the same arguments apply even though the other stations did not appear?—A. Yes, but you can understand the position of the board in a situation such as this. Previously there had been strong arguments against such an application. Now nobody, apparently, was interested in making them.

Q. But you had accepted the arguments before as being valid. Those arguments could still be maintained. The board has said that certain things would not allow them to grant a licence. The fact that no one appeared would not change the force of the argument.—A. But the applicant argued that the situation in Vancouver had changed and that a great deal of the northern area was developing rapidly and so on.

Q. I have been told that the radio stations are not making the money which they were making, perhaps, a year ago or sixteen months ago. I am certainly not arguing that this permission should not have been granted, but I was wondering, for Mr. Holowach's information. He asked how did you approve of these applications.—A. I tried to explain that in this case strong

arguments were advanced. They said everything had developed so much, especially in North and West Vancouver, and now was the time to have a radio station, and nobody contradicted the argument.

Q. Then you do take arguments by the other stations and consider them, but if representatives of other stations don't turn up, no consideration is given to the position of the whole area.—A. Not "no consideration" but not nearly as much consideration if nobody turned up to put their view forward.

Mr. DINSDALE: Have we cleared "station relations"?

The CHAIRMAN: Not yet, no.

Mr. HANSELL: I have these regulations which were presented to us and on which Mr. Fleming pursued some arguments and I would like to ask a few questions with respect to the regulations on page 2 and it is that regulation under 5 (g) to which I want to call attention, namely:

(g) except with the consent in writing of a representative of the Corporation, any appeal for donations or subscriptions in money or kind on behalf of any person or organization other than

- (i) churches or religious bodies permanently established in Canada and serving the area covered by the station,
- (ii) recognized charitable institutions or organizations,
- (iii) universities, or
- (iv) musical or artistic organizations whose principal aim or object is other than that of monetary gain.

I would like to read the exception:

other than churches or religious bodies permanently established in Canada and serving the area covered by the station.

Now I have reference to religious broadcasting. I believe that regulation (g) (i) strikes at the very foundations of our freedom of speech. There are a number of religious broadcasts being given across Canada where appeals for funds have been made to carry on the broadcasts. Here we have a situation where an appeal is made for the purpose of continuing a broadcast in the various areas, or expanding it as the case may be. The appeal is made to the people who listen to the program. They can contribute, or they can turn off their radios and say: "I am through with that." But this regulation denies to any broadcast the privilege—I should not call it a privilege—it denies the broadcast the right of appealing for support to carry them on. Surely if there is one freedom which we want to guard it is the freedom of religious expression. Now I bring this up, and I am particularly interested in one religious broadcast which was discussed the other day, but it is not the only one which is going on the air throughout Canada. There is the Old Fashion Revival Hour which emanates from Los Angeles and which is put on by Dr. Charles E. Fuller. I do not know how many stations take this broadcast in Canada, but it is on a lot of stations, and I venture to say, on more stations than the Back to the Bible Hour Program which originates in Canada. They have stated their financial position and indicated that their broadcast is supported by voluntary contributions. Recently, the Billy Graham program was put on the air in Canada, I do not know to what extent. Billy Graham is an American Evangelist and a very prominent evangelist. He is now in Scotland. Last year he was in England, and he expects, I think, to come into Canada. This broadcast states that it is carried on by voluntary contributions from the listeners.

The CHAIRMAN: You are not speaking much on the regulations, Mr. Hansell.

Mr. HANSELL: This is the regulation here.

The CHAIRMAN: Yes, but I do not think you can go too far on that. Try to speak about the regulations existing in the C.B.C. covering religious broadcasts. You are just enumerating the different religious broadcasts. I think you could go faster than that and give us a chance to proceed with our work in the committee. Of course, I do not want to obstruct you.

Mr. HANSELL: Well Mr. Chairman, we are discussing the regulations and this is a regulations with which I do not agree.

The CHAIRMAN: Yes, but you do not need to give all of the broadcasts which are made on religious matters to prove your argument.

Mr. HANSELL: I am saying that there are several religious broadcasts being given throughout Canada, some emanating from the United States, which some members may conclude are contravening this regulation.

Mr. BEAUDRY: Can we have a clarification of the regulation first, please. I read it differently from the way Mr. Hansell does.

Mr. HANSELL: I am willing to stop for a moment if we can have any clarification. The regulation is expressed in words which I read awhile ago.

Mr. BEAUDRY: I read it as:

“except with the consent in writing of a representative of the corporation, other than . . .”

How do we interpret the phrase “other than”?

Mr. HANSELL: “Other than” is the exception.

Mr. BEAUDRY: Have I followed your line of reasoning? Bodies mentioned in the exceptions can broadcast an appeal?

Mr. HANSELL: There is a clause here which states that appeals . . .

Mr. BEAUDRY: Where?

Mr. HANSELL: It says: “churches or religious bodies permanently established in Canada and serving the area covered by the station.”

Mr. GOODE: I think Mr. Hansell is quite correct. This regulation confines the situation to the area in which the broadcast originates. That is my interpretation of it.

Mr. FLEMING: Can we get to the nub of the matter by asking Mr. Dunton how the C.B.C. interprets this regulation. How does he interpret “or”? Is the subclause to be interpreted as though the word “churches” stood by itself and the other clause is “religious bodies permanently established in Canada and serving the area covered by the station?” Or does the C.B.C. interpret this as meaning “churches or religious bodies permanently established in Canada”?

The WITNESS: Your last interpretation is ours.

Mr. FLEMING: Then Mr. Hansell is perfectly right in the interpretation on which he has based his question.

Mr. GOODE: What you are saying is that a church can only accept donations within the area in which the broadcast originated.

The WITNESS: A station can only carry a broadcast from a church or a religious body appealing for funds when it is serving that area.

Mr. HANSELL: I claim that is striking at the heart of the freedom of speech throughout Canada. And no religious broadcast, as a result of this, can reach the Canadian people from coast to coast, and carry on financially when they can only appeal to the area in which the broadcast originates. I will give the

committee an example in another field. Supposing for instance a newspaper published in Winnipeg were governed by a regulation which stated:

“You can circulate your paper through all of Canada, but you must not have an agent in Toronto who accepts subscriptions for it.”

supposing we had a regulation like that.

Mr. GOODE: We have not got one.

Mr. HANSELL: No, we haven't. I am telling you there would be some holler if we had such a regulation, but such a regulation does exist with respect to religious broadcasts. All I am saying is that in order to remedy it, all you would have to do is strike out the words, “And serving the area covered by the station.” I think, Mr. Chairman, since this matter has been brought up previously, and in view of the fact that I am bringing it up now, it might be well for this committee—or perhaps following our sittings the appointment of a sub-committee—to go into that particular regulation number 5 “G”.

Let us look at “G”, subsection 4, entitled “Musical or artistic organizations whose principal aim or object is other than that of monetary gain.” Take a national musical or artistic organization for example. Suppose we wrote into that regulation—“And serving the area covered by the station.” It is not written in that one, so why should it be written in one and not in the other? I am not asking for an answer to that question. I am posing the question to make our thinking on the matter more provocative. Why make the regulation apply to one organization and not another? I say there would be nothing wrong with the regulation if the words “And serving the area covered by the station” were deleted. What I want is the freedom of religious broadcasting throughout Canada and if that freedom is hampered by a restriction which says the broadcaster cannot appeal to the people to support the broadcast, then we are restricting freedom of speech.

Mr. RICHARD (*Ottawa East*): But can he not get the consent in writing from the representatives of the C.B.C.?

Mr. HANSELL: He does not have to.

Mr. RICHARD (*Ottawa East*): But he can.

Mr. HANSELL: Why should he?

Mr. RICHARD (*Ottawa East*): That is the regulation now. He can get consent in writing and appeal for funds.

The CHAIRMAN: With the consent of the C.B.C.?

Mr. HANSELL: He can write and ask, but the C.B.C. cannot—

Mr. RICHARD (*Ottawa East*): Oh, yes!

Mr. HANSELL: No, they cannot give consent.

Mr. RICHARD (*Ottawa East*): Yes.

Mr. HANSELL: No, not if you read it carefully. I might say that in the previous evidence Mr. Dunton has already stated that certain stations had been refused because of the regulation. Let me read from the previous evidence, in order that I can give you Mr. Dunton's answer accurately. I am reading from page 62 of the evidence of this committee. Mr. Dunton was answering a question asked by Mr. Goode, which appears at the bottom of the page, and I am breaking into the middle of Mr. Dunton's remarks: “. . . in the case of this particular broadcast—I have forgotten the name of it—permission to appeal for funds has not been granted because they are made in different parts of the country outside of that one particular area that the organization may be serving.”

Mr. RICHARD (*Ottawa East*): That is not the way I read the regulations. I think the C.B.C. could give consent in writing, but that in every case they do not give consent in writing when it is for a local area.

Mr. HANSELL: That is not what Mr. Dunton said at page 62.

Mr. RICHARD (*Ottawa East*): What do you say, Mr. Dunton, about that? That is the way I read it.

The WITNESS: I take it that we could give consent in writing for this, but I think in this particular case the policy is as stated in the regulation.

Mr. FLEMING: Have you had applications for such consent in writing, Mr. Dunton?

The WITNESS: We have received requests, yes, and have not granted them.

By Mr. Fleming:

Q. They have been uniformly rejected?—A. Yes.

Q. How many have there been?—A. I am afraid we do not have that information.

Q. Would it be difficult to obtain?—A. There have been very few, but I think it is in part due to the fact that in some cases the general policy is known that some of these broadcasts particularly those coming from outside of Canada, permission is not given to appeal for funds under this regulation.

Q. So the policy has had the effect of discouraging applications and you have not had to deal with many applications because the policy is known?—A. Yes.

Mr. RICHARD (*Ottawa East*): You will admit that in the case of a church or a religious body permanently established in Canada that they do not need your consent in writing?

Mr. GOODE: Oh, yes.

By Mr. Richard (Ottawa East):

Q. Why would they?—A. They do not, no.

Q. But you could give them your consent?—A. Yes.

Q. That is what I am trying to say; you could if you wanted to?—A. Yes.

By Mr. Hansell:

Q. Let me ask this question. This particular broadcast that was— —A. There have been one or two cases where well known Canadian churches have asked for permission to do it across the country and it has been granted not on a regular basis but on a one-occasion basis, I think.

Q. Why was this particular broadcaster refused the same request?—A. As I say, the general policy as applied to all broadcasts of a religious type, unless the organization is permanently established in Canada and was serving the area covered by the station.

Q. But I understood you to say, Mr. Dunton, that some have asked and were granted permission.—A. I was saying that in one or two cases where well known national churches wished to make a one-time appeal for funds across the country permission was granted. The question might have arisen whether the churches were actually serving all the areas that were covered and they asked for permission to be sure of it and permission was granted for the purpose of a one-occasion appeal but not for a general program of appeals.

Q. Then your answer to the question as to why this broadcaster was refused was on the general principle that you do not grant it?—A. The general principle as laid down in this regulation, 5-G-1.

Q. Would you not agree that such a refusal strikes at free speech in Canada in relation to religious broadcasting nationally?—A. I would not say that, Mr. Hansell, no.

Q. Well, I suppose I could not expect you to give me any other answer.

Mr. GOODE: I think the C.B.C. has to be defended in this matter. There is nothing to stop any John Smith starting up a religious broadcast in Vancouver and appealing for funds throughout the country if this regulation were not in effect. I hasten to say at this point that I do not include Mr. Manning's broadcast in that category, but there is reason to assume that somebody would take advantage of that type of situation. We have all seen these "gorgeous Georges" who have arisen in Canada and who were able to get enough money to broadcast throughout Canada and acquire funds from people. I think this regulation prevents that type of thing and for that reason I would support the regulation.

Mr. HANSELL: I said the other day, Mr. Chairman, that I would be the first to discourage the efforts of any people who were racketeering. That is what Mr. Goode is referring to, I believe. However, the way to stop it is not the way it is being done. You have to have some other way of doing it. I claim that any person who goes on a private or independent station and pays for his time should have a right to appeal for funds. If his religious broadcast is of such a nature that it is supported by the people and it expands by reason of that support, then I submit that the people themselves have a right to continue that expansion. I feel they have a right to know the financial position of the broadcasts they support. If those who originate the broadcast cannot put their financial requirements before those who listen then I say it strikes at the very roots of religious expression in Canada.

Now, our problem in this respect could be easily solved by taking that phrase out, and I do not see why it should not be taken out in respect to religious broadcasting just as easily as it was left out of clause 4 in reference to musical and artistic organizations.

The CHAIRMAN: Mr. Beaudry?

By Mr. Beaudry:

Q. Mr. Dunton, coming back to clause "I" we agree that the broadcasts or appeals for funds can only be made by churches or religious bodies permanently established in Canada serving the area covered by the station. I wonder if we are not confusing here the originating station and the station disseminating the broadcast itself? Is there a possibility of that? I am taking it for granted that this could be the case, and perhaps I am limiting the whole sphere of the question a little more than Mr. Hansell did. I am assuming that this could be a recorded broadcast which is disseminated over a group of stations. In that case an appeal for funds could be made over each of the stations over which the broadcast is transmitted provided that it is on behalf of a church or a religious body permanently established and operating in Canada, am I right?—
A. No, it would also have to be serving the area covered by any station transmitting the broadcast.

Mr. DINSDALE: Does that not depend on what you mean by "serving?" The very act of broadcasting a religious service is "serving the area." How do you narrow the definition of "serving?" What is meant by "serving?"

The WITNESS: We have never had an occasion to make a close interpretation of that word. I think the general intent was clear, and that it referred to an organization that was doing something else besides broadcasting which was genuinely a part of the religious life of that community.

Mr. HANSELL: I maintain that under this regulation a person can broadcast nationally, but not be allowed to appeal to the people of the nation to support the broadcast.

The WITNESS: They can certainly broadcast nationally, you are right about that under this regulation. It should be remembered that a great many private

stations in this country, as well as the C.B.C., carry religious broadcasts free. It should also be remembered that the reason for this regulation having been formulated was because there have been some rather unpleasant cases in the history of broadcasting involving appeals for funds.

Mr. HANSELL: I am not saying there are no national religious broadcasts. I know that the C.B.C. has one—a very good one, at times. I simply say that it strikes at freedom of speech. I do not need to keep repeating myself; that is what it is. The appeal for funds is just for the broadcast. If it was an appeal for something else it would be different. It is an appeal for the broadcast to keep it going because people like it, and the appeal is a way of letting the people know the financial position. They are not interfering with any other broadcast nor are they interfering with any other donations. It is simply broadcasting to the people of Canada, reaching the entire nation and asking the Canadian people to support it. You say, "No, you cannot do that without getting permission." That is all there is to it.

Mr. RICHARD (*Ottawa East*): There is a great deal of difference between freedom of speech and freedom of collection of funds. You do not need to have freedom to collect funds to broadcast freely religious programs in this country.

Mr. HANSELL: Well now, listen, here is a broadcast that goes clean across Canada. Do not think of 13 stations—think of 50 if your like. Here is an individual, let us say in the Peace River country, who is originating it. I know that is an extreme example. How can he appeal for funds in his own area and obtain the necessary funds to carry on throughout the whole country?

Mr. GOODE: There is no reason why he cannot join a recognized church, and do it that way.

Mr. HANSELL: I say again that it strikes at freedom. You are saying he has to do something else to get it, and that is not freedom.

Mr. GOODE: I think there has to be a distinction between freedom and licence.

Mr. HANSELL: Licence! What does my honourable friend mean? That carries a very strong inference, and let me say one thing, Mr. Chairman. I do not want to get off on another track and I will only take a minute to say this. I do not oppose the C.B.C. as much as some people think I do. I will tell you that the Canadian Broadcasting Corporation is becoming very unpopular in Canada by reason of its regulatory authority. They know that themselves, and this is one of the regulations that accentuates that unpopularity. There is no reason for it.

Mr. RICHARD (*Ottawa East*): Nor is there any reason to clutter the air with a bunch of appeals for funds for religious broadcasts of all natures. You do not like the word "licence", but that could lead to an awful lot of trouble. I am sure the people of this country do not consider every religious broadcast should be operated with an appeal for funds. I think that is clear, Mr. Hansell.

Mr. HANSELL: I do not think it is clear at all. I think Mr. Richard is straining it unduly.

The CHAIRMAN: Can we proceed?

Mr. HANSELL: I do not know if this has been settled. I do not know if this is the time for a motion.

The CHAIRMAN: We can take it up with the agenda committee, Mr. Hansell. If you would like to bring it before the agenda committee after the sittings, at that time we will make a decision on it and bring it before the whole committee afterwards. Is that agreeable to you?

Mr. HANSELL: I will give notice of this, Mr. Chairman, if that is good enough—that in our recommendations I am going to move that that clause be deleted from the regulations.

The CHAIRMAN: You do not agree that we bring it before the agenda committee before you put your motion?

Mr. HANSELL: I am not going to move it now; this is just notice of motion.

Mr. GOODE: I am now going to give notice of motion that I am going to oppose it.

The WITNESS: We have some information that Mr. Holowach was asking for. In the last three years, the board of governors has recommended in favour of 20 applications for sound broadcasting stations, and has recommended against the granting of six. It might interest you to know that in the case of two of these it was because three people were applying for a station in one area where obviously only one could go, and naturally only one out of the three could get a licence. In another place one was denied because two people were applying in the same area and one of the two had to get it.

Mr. HOLOWACH: Thank you.

The CHAIRMAN: Shall we go to “commercial operations” now?

Mr. DINSDALE: “Exchange programs” Mr. Chairman.

The CHAIRMAN: Oh yes, page 28.

Mr. DINSDALE: Page 25.

By Mr. Dinsdale:

Q. On what basis does the C.B.C. select programs from the B.B.C., and American network stations and so forth? Does it use programs promoted by the networks from other countries, or does the C.B.C. make the decision on this matter?—A. I will speak of sustaining, non-commercial, programs first, and what I will say applies to some extent to commercial programs. It depends on how they fit into our over-all broadcasting pattern. We try to achieve a good balance in order to make up a good broadcasting service. The question of sponsorship enters into American programs of course. Sometimes we are offered stations with revenue attached which is a factor. On the other hand, we cannot take a commercial program from the United States if the sponsor does not want us to do so, and in most cases this is not done unless special arrangements can be made.

Q. Do you try to get as wide an exchange as possible; for example, programs from Australia, New Zealand and South Africa?—A. As wide an exchange as is possible within the limits of our programs service. After all, there are only so many hours on the network and there are many commitments which we have. We try to be reasonable and sensible concerning broadcasts from other countries. We have a very happy relationship with the United States’ networks in general. Most of their sustaining programs are available to us because of our relationship with them. Not all B.B.C. programs are available to us by any means. Some come to us by direct shortwave transmission as does the news, but most of the others would have to be carried by transcription and they can only make certain ones available by transcription because of the cost involved. The same would apply to Australia and New Zealand where in practical terms they would almost have to carry transcribed programs. It depends on what they can make available.

Q. To what extent does the C.B.C. offer its programs to these other networks?—A. Practically all to our American friends—Mr. Bushnell is correcting me on this. As a matter of policy, our sustaining programs are available, but complications have arisen on programs where there are performing artists because of the union.

Q. The sustaining programs are on a free basis?—A. In most cases yes, but complications do arise where we have performing artists. We hope to eventually get that ironed out.

Mr. BUSHNELL: In all fairness, Mr. Chairman, I think I should explain and put on the record that the limitation imposed by the so-called artist's union does not apply to the musician's union.

By Mr. Dinsdale:

Q. Is there any interest outside of Canada in broadcasting such high quality programs as the "Wednesday Night" series?—A. There has been a good deal of interest from individual stations in the United States, but the networks in the past have usually been too committed to carry such long pieces of time. The B.B.C. have expressed interest at times and have carried particular items from this series.

Q. And if it was to be used, it would be made available on a non-commercial basis?—A. As far as we are concerned, because in both of these cases we have reciprocal understandings with the networks concerned.

Q. Up to the present time no one is using the Wednesday night series?—A. Not regularly, although it has been used in full at different times. I think a New York station carried "Wednesday night" for some time.

Q. I have just one more question before we finish this section and it concerns the origination of network programs. I notice that 89 per cent of the network programs originate with the C.B.C., 9.4 per cent from exchange programs, and 1.6 per cent from private stations. What would be the main reason for the very low percentage of origination from private stations?—A. In simple terms, I think it is because very few programs of a network kind have been produced by private stations. For some years we have had a standing offer open to affiliates on the dominion network to take suitable programs from them and pay all the out of pocket programming costs if they were of a kind suitable to the network, and we have done that in some cases.

Q. You mentioned an increase in interest among private stations in live programs?—A. Yes.

Q. And that might increase the percentage of their contributions?—A. Yes. Our people are constantly watching for contributions from private stations. As I say, we would pay out of pocket expenses for such programs. The station at London, Ontario has provided quite a few during the years, for our network.

Q. Has the percentage of private station origination risen or fallen in the last few years?—A. My impression is that it would be about the same. There was a time when we used to get some contributions but that has died out because those particular stations did not keep up their live efforts. I think that the total percentage has not varied greatly; it was the same percentage last year. We are very anxious to get more contributions from private stations and so when our people meet with affiliates there is always discussion about it, but not a great deal has come out of it except that a few stations have produced very good shows and have done very well across the country.

The CHAIRMAN: Now we come to "Commercial operations". We have already dealt with "Broadcasting regulations", I think.

Mr. GOODE: Carried!

The CHAIRMAN: Carried?

Carried.

The CHAIRMAN: "Press and information service"—television.

Mr. GOODE: Before we go on to television, Mr. Chairman, I wonder if I could ask a question regarding a program—it seems to me it was a symphony association in Toronto or Montreal; I am not clear on the details although I

know the Governor General was present—and there was some union trouble concerning that program being put on the air. What was it all about?

The WITNESS: I think you are speaking of a function that took place in Ottawa.

Mr. GOODE: I do not attend symphony concerts so I do not know, but I would like to know what happened. We have heard some remarks here concerning union activities, and I should like to know what the difficulty was.

The WITNESS: I think the event in question was an orchestral number in which the real orchestra played and a lot of characters on the stage moved instruments and were not supposed to produce any sounds. There was a question of making shots for a news broadcast on television of this rather strange proceedings, but our people found that the union would insist on full half-hour television rates if any of their members appeared either in vision or sound on a news item, and so it could not be made.

By Mr. Dinsdale :

Q. On the subject of "Press and information", Mr. Chairman, there was an interesting little pamphlet put out under current affairs last August entitled "This is the C.B.C." Now, I presume the information for this was supplied by the C.B.C. public relations branch?—A. I think our people were asked for information, and I think provided it.

Q. They would write the publication?—A. I do not think they would write, I think they would supply the information for it. Our people do that upon request for any information about the C.B.C.

Q. It is written from a C.B.C. perspective?—A. I am not very familiar with it.

Q. I have a copy here—it is this little current affairs pamphlet.—A. My recollection from glancing at it is that it was to be about the C.B.C. and it is.

Q. You do not know who wrote it?—A. No, I do not.

Q. At the bottom of page 29 in the second paragraph under the heading of "Press and information services" the following appears:

The publications section provided a variety of printed material including publications in connection with school broadcasts and such programs as Radio-College, National Farm Radio Forum, Citizens' Forum, Les Idees en Marche, and Le Choc des Idees. The section also handled various print jobs for other divisions.

Does the C.B.C. handle all the costs for the supply of the Citizens' Forum bulletin?—A. No, none of that cost, directly. I think what is referred to here are leaflets on a general series of Citizens' Forums. I think you are referring to the study pamphlets which are turned out by the Canadian Association for Adult Education, I believe.

Q. One more question, Mr. Chairman. The C.B.C. "Times—what is the circulation of that bulletin at the present time?—A. Around 26,000 for all editions altogether.

Q. That is an increase over last year?—A. Yes.

Q. What would be the increase since last year?—A. I may say, in more detail, that the most recent figure was 19,600 copies and 6,173 free copies which go to newspaper publishers, advertising agencies and so on. That represents an increase of about 4,000, and that increase is in the paid circulation.

Q. I suppose it is almost self-supporting now, with a circulation of the size?—A. Not quite, if you take everything into account; because this C.B.C. *Times* replaces a lot of printed material which has to go out anyway inside our organization, and to newspapers, agencies etc., and the receipts from subscriptions do not cover all the costs associated with it.

The CHAIRMAN: Now, if it is agreeable to the committee we shall take television tomorrow at our next sitting.

Mr. BALCER: I wonder if the chairman would supply us with something else on television—as far as this report is concerned there is very little in it on which we can go forward.

The CHAIRMAN: The intention of the committee is to go on with the report until we have gone through it.

Mr. BALCER: As far as television is concerned there have been so many recent changes that I was wondering whether the C.B.C. had anything more recent.

The WITNESS: That is why I devoted most of my opening remarks, at some length to television.

The CHAIRMAN: Our first number, Mr. Balcer, number one of the minutes will assist you.

The WITNESS: That was an attempt to summarize progress up to date.

The CHAIRMAN: I think that Mr. Dunton has an answer to give Mr. Carter.

The WITNESS: Mr. Carter requested the cost of constructing some stations. At C.B.N. St. John, the cost of the studio—work which was done several years—ago was \$110,000. The cost of the transmitter, which has only just been completed, was \$160,000. Cornerbrook studios which were quite old and which were taken over from the old broadcasting corporation of Newfoundland, were taken over at the valuation of \$51,000. The estimate for the transmitter, which is not yet completed, is \$120,000. The C.B.H.T. Halifax television studio site cost \$980,000, and the transmitter site \$595,000. That refers to television.

The CHAIRMAN: Mr. Hansell, I believe you also asked for some information.

The WITNESS: He asked for some scripts to be filed.

The CHAIRMAN: You can have those scripts at the clerk's office whenever you feel like taking them.

Mr. HANSELL: I thought everybody would get copies, but at the same time, that is agreeable to me.

The CHAIRMAN: They are expensive.

The WITNESS: There are 10 copies but if the committee wishes more, more could be run off.

The CHAIRMAN: Are there any other members who want copies?

Mr. CARTER: There are two things which I would like to ask. Is there only one studio in C.B.N.? You mentioned a figure of \$110,000.

The WITNESS: That is for studio premises. There are several studios.

Mr. OUMET: Speaking from memory, I believe there is more than one studio. There would be two at least.

Mr. CARTER: I understood that Mr. Dunton was going to look into the question I asked about the request for the re-broadcasting of the B.B.C. program on Churchill's resignation.

The WITNESS: I have checked on that, Mr. Carter. There was a request in general terms from C.J.O.N., St. John's to pick up and re-broadcast B.B.C. programs relating to the Churchill resignation. This would have been in effect forming a network with the B.B.C. for that period, and the request was turned down because C.J.O.N. had no permission from the board to have affiliations with any outside network. That sort of thing in a particular instance does not look to be of any great importance, but the whole question of affiliation of individual stations in Canada with networks outside is of course of great importance and in this instance a precedent could not be set.

Mr. Hansell asked for a list of the people working in the talks and public affairs programming in the C.B.C.

The CHAIRMAN: Do you want this information on record as an appendix?

Mr. HANSELL: I think it would be a good thing, if it were given there. Others would like to see it.

The CHAIRMAN: Is that agreed?

Agreed.

Mr. HANSELL: I thought there were two scripts, Mr. Chairman.

The CHAIRMAN: The messenger will bring you both of them.

EVIDENCE

April 29, 1955.

11.00 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum. I want to thank Mr. Dunton for having offered us this little film this morning which will be shown to you. I think it would be better if I asked Mr. Dunton to explain the contents.

Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called:

The WITNESS: What you are going to see Mr. Chairman was put together by our people last summer for broadcast by television to show viewers what goes into the making of a television program. It was put together quite hurriedly in the summer and it is related as you can see to the production of Hamlet—actually to an imaginary production of Hamlet, because Hamlet was not being produced at that time. It is interesting to note however, that just last Sunday a two hour production of Hamlet was done in Toronto. The film is, of course, an outline of what has to be done in the making of any television program.

The CHAIRMAN: May I have the names of those who are going to operate this film?

The WITNESS: Douglas Murphy.

(Film shown).

The WITNESS: Mr. Chairman, I might say for the benefit of those who are interested, that the real production of Hamlet will be seen in Ottawa to which it has to come on a delayed basis on Saturday, May 7 at 9.30.

Mr. BEAUDRY: Mr. Chairman, I think we should thank the C.B.C. for giving us a very good graphic description of what happened behind the scenes. Perhaps one little thing that was overlooked, is the number of other operations involved if this were a commercial program. I am thinking of the paper work etcetera which would be included in that.

The CHAIRMAN: Thank you, Mr. Beaudry, for the C.B.C. officials.

By Mr. Boisvert:

Q. May I ask one question, Mr. Dunton. What is the cost of a production like Hamlet?—A. The two-hour version of Hamlet cost over \$30,000.

Mr. GOODE: Is that money returnable? Will it be seen in any other parts of Canada?

The WITNESS: No, it is a sustaining program. I think it is interesting, as Mr. Beaudry observed, that the film did not show everything. There was a great deal of paper work which went into it, and from the film you get no idea of the number of rehearsals. The principals rehearsed over 70 hours for the real Hamlet the other day.

Mr. GOODE: There are a lot of members on the committee who have not seen the C.B.C. in operation. Some of us have seen it in years gone by. I would like to suggest if you would consider it a good idea, to have Mr. Dunton

invite the committee to go down there one of these weekends, at which time some of the new members who are here this morning, I think, could see the operations. I remember that we saw the "Big Show"—is that the name of it?

The WITNESS: The big review.

Mr. GOODE: Yes, I was able to go home and explain to school groups and others the little bit about the operation that I understood, and I think it was most interesting.

The CHAIRMAN: Mr. Dunton spoke to me about that yesterday, and we have arranged to get together next week to try and plan a trip to Montreal, probably.

By Mr. Fleming:

Q. Just before we leave the discussion of the film, Mr. Dunton, I would like to ask how many times that film will be shown in Canada?—A. The particular film we just saw?

Q. No, I was thinking rather of the feature production of Hamlet?—A. It is done as a live production and goes on the interconnected network except for Ottawa where we have to carry two networks, English and French. It goes out by kinescope to all the other stations in the country and that is the extent of its television life. It is a "seen for one time" television broadcast.

Q. And you do not have an opportunity of selling the rights to show it in the United States for instance?—A. Very many complications would arise there. We have rights, not in this case with the author, but by arrangements with all the artists and musicians involved. We have the right only to show it one time. It is as though it were a live broadcast. To obtain the rights to transcription, or film rights, to show it in different countries several times, we would have to pay a great deal more money.

Q. It left me wondering in the face of a cost of \$30,000 if it is not the sort of thing that could produce some revenue by the sale of the rights in a neighbouring country, let us say, and if the C.B.C. should be going into something as expensive and costly as this for one showing. Admitting its technical excellence and the desirability of giving high quality programs of that kind, it strikes me for that one showing \$30,000 is a lot of money to invest in one program.—A. We are in television, Mr. Fleming, and television figures apply. In the United States \$30,000 is a very ordinary cost for an ordinary network show.

Q. I know the situation there is quite different, but they have networks that can sustain it, and a concentration of population and there are commercial revenues to sustain it. We would like to have excellent programs of that kind, but what strikes me is that \$30,000 is a terrific amount of money to invest in one program. Any theatrical production of Hamlet would own those properties, and the benefit of all the preparation and work that goes into it would be available, we will say, for a year or years instead of the one production that is typical of television. It strikes me it is a pretty expensive business.—A. This particular showing of Hamlet will be seen by many hundreds of thousands more Canadians than would ever see any theatrical production of Hamlet in this country, and I think that is worth remembering.

Q. I hope they will.—A. \$30,000 is a lot of money but it is likely that somewhere around 2 million Canadians will probably see Hamlet. That seems to me to be a pretty worthwhile thing—a good production of Hamlet seen by a great portion of the Canadian population; say at least 2 million. Is that not pretty worth while ?

Q. I think you better figure on repeating it from time to time.—A. Perhaps I could explain more concerning this question of repeating. We would be only too glad to repeat many of these programs, but we are unable to because of the

position taken by the unions. We simply cannot do it under the rates we have to pay them and in order to be able to repeat them we would have to pay, I think, about three times as much.

Mr. J. P. GILMORE (*Coordinator of television*): Not necessarily, actually. If we put it on film, the film rights would triple what we pay, but if we put it on kinescope, I understand we will have to pay an additional 100 per cent to the actors. I have not seen the film, and I do not know if there is any music in it—

The WITNESS: Yes.

Mr. GILMORE: If there is a live orchestra in it, it makes it more difficult when we have to pay film rights.

By Mr. Beaudry:

Q. I am referring to a statement you made earlier which is recorded at page 12 of the first minutes. I am going to use the word "normal" although it may not be the word you used, but I think it fits in. The normal or current cost of operation for one hour is approximately \$10,000 based on early operations?—A. Yes.

Q. So that in this case, it costs you \$10,000 more to produce a two-hour version of the play Hamlet than it would cost you for two hours of almost anything else?—A. Yes.

Q. Therefore we are not thinking now in terms of \$30,000 for Hamlet, we are thinking of paying \$10,000 more in order to give a special production of something than would have been the normal cost if we had two hours of almost anything else?—A. Yes, two hours of any general studio production.

Mr. GOODE: How much would it cost to attend a theatrical version of Hamlet—I do not know if it lasts two hours on the stage—but how much would it cost to go and see it?

The WITNESS: Probably from \$3.30 up to \$8.80.

Mr. BOISVERT: In New York it would be \$7.50.

Mr. GOODE: That is a rough cost per person of 66 cents. I think you do very well.

The CHAIRMAN: Less than that, 6 cents?

Mr. GOODE: Is my figuring wrong?

The CHAIRMAN: Yes.

The WITNESS: I think it works out at 1½ cents a head.

Mr. GOODE: I turned the figures around the wrong way; that is my usual mathematics.

By Mr. Carter:

Q. After you produce Hamlet in your main Toronto studio, it then becomes available to other C.B.C. television stations throughout the country, is that right, on film?—A. All stations in the country.

Q. Private stations, too?—A. Yes, it is part of the national service which goes to all the English language private stations.

Q. And is it available to the private stations free of charge?—A. Yes, that is part of our national service across the country. We express it about one and one-half cents as the figure.

By Mr. Beaudry:

Q. Does the procedure illustrated on the screen apply broadly to any television production that is being made with the exception of the cost of costumes, scenery, and perhaps the length of rehearsal, depending on the quality of the

program?—A. Yes, it is true of any quality program. This would be the procedure. It is simpler for panel programs. This is not out of the way; it is an illustration of the normal procedure.

Q. There is a difference in cost, that is what I am driving at. In producing Hamlet rather than a group of hill-billy singers, the basic procedure would be exactly the same from the moment you looked at the script, and it would remain constant until the actual production, and the difference in cost would be in the case of scenery and costumes, and perhaps the length of rehearsal. Basically however, this would apply whether or not Dr. Gauthier and I went on and put a skit.—A. Yes, as you say, this has more merit and more care and rehearsing went into Hamlet.

Q. When you are producing television in Canada you have to think in terms of spending approximately \$10,000 an hour relatively, no matter what goes on the air?—A. Yes, for a studio production. Some come higher; some lower.

By Mr. Goode:

Q. Was any effort made to have this sponsored, or was it the intention of the C.B.C. to carry it themselves?—A. Not this particular effort. This whole series for "Scope" late Sunday night, has not been sponsored, but this is the sort of thing we would not mind if someone sponsored it, and possibly next year it may be, too, but we will be producing it ourselves. Incidentally, we have had a lot of compliments from commercial people about the Hamlet production. They thought it was excellent.

Q. Are you going to allow this production to be shown in the schools?—A. We have no rights to do so.

Q. I think you should tell the committee why you do not have the rights to do so. Personally I do not understand why.—A. It is because when we contract the agreements with the performers and the musicians we get the right only to use their performance for transmission on television stations. That is all we get the rights for. Any other use beyond that would have to be subject to special arrangements with them.

Q. Surely these unions would not object to this being shown in high schools, for instance, throughout Canada. It would be of educational value to the students.—A. Yes, but then it becomes a film in their view or a "dead" performance, a thing that can be used and repeated, and they are all very adamant against any such use without the special arrangements and special fees being paid.

Q. What special arrangements would you have to have? I pursued this union business before. I am trying to show the difficulty that you are having in regard to certain ideas which I think are unreasonable.—A. In rough terms, as Mr. Gilmore said, to get the rights to have it used in schools we would have to pay roughly three times as much to the performers and the musicians. We could repeat it on the air rather more cheaply; I think it is 100 per cent of the minimum guarantee to the artists. It already has cost a great deal, as you can see.

By Mr. Fleming:

Q. Would you translate that into dollars for us in comparison with the \$30,000? How much of that would have to be triplicated in your expenditure?—

A. In rough terms about \$11,000 of it. It might be less because it would be the minimum.

Mr. GILMORE: The basic artist's fee on a production of that nature would be approximately a total of 50 per cent; that is, for the first performance, which

would bring it to about \$15,000 for the artists' fees on the original. For a repeat, the artists' fees would drop to one-half of that which would be about \$7,500.

The WITNESS: That is for the repeat on the air?

Mr. GILMORE: Yes.

The WITNESS: But for film use...

Mr. GILMORE: There would be additional costs of approximately 2 to 3 times that much.

By Mr. Beaudry:

Q. Is the point not this, that if you film your production it would be considered as a movie production or a film production and no longer as a television program. There is a vast difference and you become liable to an entirely different set of rules?—A. Yes, and rates.

Q. I think that is the basic problem, is it not?—A. Yes, although you can kinescope it.

Q. In one case you are a movie producer and in the other you are a television producer?—A. Yes.

Mr. GOODE: Suppose you are asked to put the show on in 100 high schools in Canada. Let us repeat the \$30,000 as the cost. How much is it going to cost to do that in round figures?

Mr. GILMORE: Do you want the artist's fees?

Mr. GOODE: Yes.

Mr. GILMORE: We have no film agreement with the Canadian Council of Authors and Artists. I am not referring to the A.F. of M. at the moment but to the Canadian Council of Authors and Artists. We do not have a film agreement yet but based on their other agreements it would be 2 to 3 times the figure quoted for repeat on television.

Mr. GOODE: What would be the total cost?

Mr. GILMORE: Approximately \$20,000 additional.

Mr. GOODE: Without the arrangement with the authors?

Mr. GILMORE: With no film agreement. This is an estimate without having a film agreement concluded.

By Mr. Beaudry:

Q. Would not the C.B.C. conflict with the functions of the National Film Board if they went into that type of thing?—A. That does not arise. Our main job is broadcasting.

Q. On the French network are your production costs fairly similar to those on the English network? That is what you seem to indicate in your original presentation?—A. Yes, they are similar.

Q. And you produce from time to time the same type of production in English and French? I am referring to "Sunday Night Theatre"?—A. Yes. It would be just the same order of costs.

By Mr. Weaver:

Q. Mr. Dunton, is a film made at the same time whether you have made an arrangement or not?—A. No, but there is a kinescope recording made which looks like a film but it is a recording of what appears on a special television screen and that type of recording is often called kinescope. It is made simultaneously and goes out to the other stations not connected by direct network.

Q. If in future you wanted to go into the extra rates and record it, you could do so from what you have already recorded?—A. Yes, although the present kinescopes are not too satisfactory for use or projection in halls. They can be used but if you are going into that sort of thing you should use a better system. We would usually have to make arrangements in advance with the unions and the people involved rather than suddenly turn around afterwards—of course, they might always agree to consider a particular case.

By Mr. Hansell:

Q. I do not know whether we should have a further explanation of the complicated setup of the relationship between the artists and author's union and the C.B.C. I appreciate Mr. Goode's inquiry because it does seem almost fantastic that unions can have so much power and can almost circumscribe the efforts of an institution like the C.B.C. or the National Film Board. There are so many complications in that subject and I do not understand them but may I ask this question. Would there be a film such as Hamlet that the C.B.C. could acquire from some commercial company in Hollywood or some place like that? Would there be any technical difficulties? Would the receiver not see a play that is on film just as readily as a live television production?—A. I think there are several differences. In the first place in general the only commercial feature films available for television are pretty old ones. The films of recent years just have not been released for television use and still cost money. The other difference is that it is a Canadian production using Canadian actors and efforts in general.

Q. Yes, I realize that. Your first reason is that the motion picture industry just does not release their modern up to date films because it would break into their motion picture revenues so they are not going to release them until they are pretty old?—A. That is the situation.

Q. I do not know how much the people in their homes who are looking at a film are concerned as to whether or not it is a Canadian production or some other production. There is a doubt in my mind as to how much they are concerned about that. If they were to be told that this just costs them 6 cents for the evening's entertainment they would not mind a bit but if they were told that the thing cost \$30,000 to produce it might give them a jolt. Canada has the opportunity of producing television for itself or of importing it from other countries.

How are the artists paid? I can quite understand that in the case of an actor who is going to take the part of Hamlet that he is going to play that part and produce one play. I can quite understand that he figures he should be paid adequately if that is going to be shown more than once. He is in a somewhat different position from an actor who is employed by a travelling show, let us say, where he would be paid a salary and would give a performance every night and it would become more or less a stereotyped thing for him. What I would like to know is how are the actors paid? Would you employ a man like that at a salary for a year so that he would be available for any acting that you might require or do you contract with him for a special feature?—A. All the actors are contracted for on the basis of individual performances and then they are paid at least the minimum under our agreement with the actors council. Of course, principals get more than the minimum and they are paid according to the agreed amount for the performance and the minimum rehearsals and they are paid extra for extra rehearsals.

I must say that actors work very hard in television. They have to do a great deal of rehearsing and hard work.

Q. I quite understand that. Could you negotiate such an agreement as the one I suggested whereby you would pay the actor a salary on a yearly basis?—A. We have always thought it better not to work it that way and I

think there would be many objections to it. I think people would say that the C.B.C. are only using people who are in its stable and are not giving others a chance. I think most of the other broadcasting organizations also adopt this attitude and employ actors adapted to particular roles. I think in show business, or the performance business generally, that is the most satisfactory way of doing things.

Q. Of course, I can understand that policy being followed when we have just one broadcasting or television medium, but I am comparing it, for instance, with the motion picture business. In the motion picture studios they pay their actors on a yearly basis.—A. I think they pay some of their principals a great deal of money under contract in order to keep them.

Q. I realize that.—A. I think you will find most of the “not” principal actors are not on straight contract.

Q. Perhaps not. I fancy what happens in the motion picture industry is that an actor is either good or bad and very often we do not go to see the picture that has been produced but rather the actor who is taking part in it and that is why the big names are printed on the marquee of the theatres.

Mr. RICHARD (*Ottawa East*): Or we go to see the actresses!

Mr. HANSELL: Yes, and the actresses too, I must say! If there was competition in Canada that same thing might arise, might it not?

The WITNESS: In what way, Mr. Hansell?

By Mr. Hansell:

Q. If there were, let us say, half a dozen television companies or producers throughout Canada—A. There are a lot of producers; there are 19 private stations.

Q. All having their separate actors?—A. There are 19 private stations now.

Q. Do the unions enter into the picture, and restrict your operations?—A. I do not think they restrict our operations. They bargain with us for minimum rates that are paid but otherwise they do not restrict us. But on the question of having more opportunities for employing Canadian talent, I think Mr. Fleming brought out the television performance of any real broadcast costs a lot of money, \$33,000 for a two-hour show is not at all out of the way—but how much production of that sort will the Canadian economy stand? We know that it will not take a great deal on a purely commercial basis; that is very obvious, because as you yourself have suggested, pretty attractive material can be imported very cheaply into this country. I think experience has shown that if the country does want a certain amount of production of its own using Canadian actors and writers, there must be some other means of extracting the one and one-half cents for supporting that in Canada. The cheap way to do it is to bring in film material from outside the country.

Mr. FLEMING: So we had better be looking for the elusive happy medium.

Mr. BEAUDRY: Could we not put on the record the rates that the artists are paid? Perhaps we are reckoning in our own minds the idea that the artists are getting tremendous amounts of money, and it seems to me the scales of pay should be put on the record to dispel any false impression which might have been created.

Mr. GOODE: I do not think you will dispel any false impression. We have heard evidence that the musicians' union is restricting the operations of the C.B.C. The C.B.C. tell me that they cannot afford to put another station in the Vancouver area because they do not have the money, or words to that effect. I know where some of this money is going.

Mr. HANSELL: There are stand-by orchestras and all that sort of thing; that is pretty expensive.

Mr. BEAUDRY: I do not think we have referred to stand-by orchestras so far. We were dealing with sound broadcasting when that came up.

By Mr. Goode:

Q. The money all comes from the same place. You told me you could not establish a station in British Columbia, because of financial difficulties?—A. Yes.

Q. Then I must find out in my own limited way what the financial difficulties are, and you explained it was the extra expense you have to pay beyond services rendered.—A. What we were explaining was what we would have to pay if we were to try and do some of the things you and Mr. Fleming suggested.

By Mr. Fleming:

Q. What things did I suggest?—A. You were talking about being able to release Hamlet on film outside the country.

Q. For repeats?—A. Yes.

By Mr. Dinsdale:

Q. Mr. Dunton said it was fairly cheap to import TV programs. Does that mean it is not necessary to pay performers' fees on TV programs imported from the United States, for example?—A. Most television programs coming into the country if they come on film—what are usually referred to as syndicated film television programs—are made for television especially and are simply available at rates in Canada or for use in a particular area. If shows come in on the network from the United States the Canadian system is paid for carrying them, both private stations and ourselves. The rates to use in Canada a program that has been used widely in the United States, are just a fraction of the cost involved in producing something here.

An hon. MEMBER: It is unfortunate we cannot import Canadian programs! We could get a lot of shoddy goods from other places.

By Mr. Fleming:

Q. It will not hurt Canadian programs to have some of them exported and we could thereby find a way of getting revenue from them.—A. That is very much in our minds and studies are now being conducted to see if there could be some way in which we might export some of our especially good programs and obtain some revenue from them, but there are all these complications that have to be worked through regarding rights and artists rates.

Q. I think we would all like to see a little of our Canadian culture exported for the benefit of others too.—A. Yes, and we would, too. We think it is important.

By Mr. Balcer:

Q. On an average week, for instance, how much do you spend on your own programs and how much do you get for broadcasting United States programs which are sponsored and for which you are paid? For instance, when you carry Ford Theatre I understand that you get paid for that?—A. Yes. Do you mean our own Canadian production?

Q. Yes?—A. Yes.

Q. And if you carried, for instance, the Gillette Cavalcade of Sports you would get paid for that from the United States?—A. Yes.

Q. Does the amount balance with the amount of money you spend for your own programs such as Hamlet?—A. No.

Q. What is the difference?—A. The Canadian system has no possibility of living just from commercial revenues because of the large costs of production in Canada per head per million population and because of the high cost of distribution across the country. I think that is probably the main reason the national system exists. Perhaps I could explain a little more fully, that on American network programs coming in the Canadian system gets comparatively little because of the agency commission, and the American network deducts a large part and the Canadian system gets only what is left. In the case of a Canadian-produced show the Canadian system, both public and private stations, gets a rather higher proportion of the time cost for the stations and the networks.

Q. If we take the Gillette Calvacade of Sports on Friday, how much does the C.B.C. get from the United States network to show that program?—A. In very rough terms we get... Our card rates are published for the network and then we would net a fraction of that—about under one-third of that amount—over our stations or the private stations.

Q. I am just trying to figure...—A. I might say the money comes through the American network but from a sponsor.

Q. What is the average revenue received by the C.B.C. from American sponsors from programs carried by the United States network, for instance?—A. It is difficult to get an average because so much is involved, but we could give you an example.

The CHAIRMAN: Do you mean the yearly revenue?

Mr. BALCER: No, take Ford Theatre last week, for instance.

The CHAIRMAN: Do you want an average?

By Mr. Balcer:

Q. How much did you get from Ford Theatre for carrying the play that came over the United States network for one hour?—A. Ford Theatre is a Canadian production.

Q. Take the Ed Sullivan show, for instance; that is Mercury.—A. We could add that up.

Mr. GOODE: What you want is the net profit?

The CHAIRMAN: No private conversations, please, for just a moment.

By Mr. Balcer:

Q. Could you give us an example?—A. Probably the Ed Sullivan show will be paying about \$4,500 for the Canadian network, that is public and private stations. The net back to the system divided between the public, the C.B.C. and the private stations would be around 30 per cent of that, which would be about \$1,500.

The CHAIRMAN: Is that satisfactory?

Mr. BALCER: Yes, that is what I wanted.

By Mr. Beaudry:

Q. That situation does not exist in relation to the French network stations?—A. No, in French we are practically self-sustaining.

Q. So that in French you are practically self-supporting?—A. A high proportion of the French network services are Canadian produced.

Mr. FLEMING: You spoke earlier about the fact that the film companies are unwilling to release old films. How old? Is there any set rule?

The WITNESS: It is matter of bargaining and the position or commercial policies of the various film companies, which will vary a good deal. Some of the English films which are released are more recent than some of the American films.

Mr. FLEMING: The recent ones would be released after they have finished their run?

The WITNESS: It is a question of policy.

Mr. WEAVER: To return for a moment to Mr. Fleming's question on exporting C.B.C. productions. Is that not simply accepting production risks, and accepting higher costs and going into the production field in competition with the rest of the world, if I may use that expression?

The WITNESS: You mean trying to do live productions in Canada?

Mr. WEAVER: No. The export of Canadian productions.

The WITNESS: Naturally any exports, especially if they are for sale on a commercial basis, will be competing with the whole mass of stuff available on the market. It is my belief that quite a few of our things would stand up well, but there are many difficulties involved.

Mr. WEAVER: It would be to my mind a question of overall policy; how would you resolve that question of policy?

The WITNESS: On a practical basis. If we thought we could make some money by doing it, we would. If we could not, we would not do it. Our main job is to serve the Canadian public.

Mr. FLEMING: I wish you could enlarge on that a little, Mr. Dunton, because it strikes most of us in this committee as desirable from two points of view that we should explore every possibility of export, first because we would like the world to know more about Canadian culture, and secondly because it would have the effect of spreading the cost of production of these very expensive programs. Would you therefore, enlarge on your answer, because this matter of export is a very important one. Will you tell us in detail what you are doing to explore all the possibilities of export?

The WITNESS: I have been reminded of one example of a fairly successful export—the Canadian football series last year.

Mr. FLEMING: How much did that produce?

The WITNESS: We did not actually get extra revenue, although, financially, we did all right out of it, but it helped to support the whole picture.

At present we are using for recording 16 kinescopes which are not a perfect means of reproducing or recording a performance although they do a pretty fair job, but such a process would usually have a fairly hard time competing against other material turned out by more expensive means such as direct optical filming or 35 mm kinescopes systems. Therefore one thing that is being explored is the possibility of putting some of our productions on film, or filming simultaneously to see how costs would work out on that so that we would have a product of better quality. That has to be explored, and the cost of it, and our people have also to go further into the question of the rights of the artists performing. I think there is a good chance that the artists's union would be more agreeable to easier arrangements for export. As I say we are considering these things, but there are technical difficulties which have to be worked on too.

Mr. FLEMING: You mentioned certain problems which you encounter. What about the countries to which we might be interested in exporting, such as the United States and Britain? I suppose those are the two logical markets that occur to one. What do you find to be their attitude towards Canadian productions on television?

The WITNESS: There are different circumstances existing in the two countries. The artists' unions in Britain and the States are just as restrictive—in the case of Britain rather more so—as in Canada. The B.B.C. have had great difficulty in making arrangements to have their material available in Canada, much to our regret. I think their musicians' union won't allow any export of television material. They have had long negotiations with the artists, but they are having difficulties there. I think that the B.B.C. in general would be very glad to take Canadian material in principle—of course, they would want to look at it and see how good the material is. But they have often taken things in sound from us, and I think they would be interested in quite a few of our television programs if we could offer programs of good quality and at a reasonable cost. In the United States you have three big and vigorous networks at work, with all of whom we have good relations and from all of which we take programs. I think that here again, in principle they would be glad to look at a Canadian program, but they are variable in their own commitments and it is a question of whether we had material available which would fit in with their needs.

Then there is the further possibility that we might get good shows available in some good recorded or filmed form at reasonable cost which we could offer to individual stations in the United States or in some other countries, and this question is being explored too, but there are many complications.

Mr. FLEMING: I think you might be interested to know, Mr. Chairman, that two years ago when I was paying a visit to the B.B.C. in London I was told by the engineer in charge of production that the night before they had shown a Canadian film. He said it was a film of a baseball match played in front of the parliament buildings. He understood those who took part were members of parliament and members of the Press Gallery. Apparently it had been a great success. So that the prospects depend, I suppose, on what you mean by Canadian talent.

The WITNESS: I think it is right to say that there has been comparatively little international exchange among television network organizations of material which has been produced. This is because of the various difficulties which I have mentioned. Most of the exchange has been in the field of the exchange of news, actuality material and that sort of thing. There has not been much exchange of studio production except between the United States and Canada—that is, coming into Canada. There is, of course, a good deal of international flow of material produced on film especially for television. This material is flowing round the world in increasing amounts because it was made originally as films, and the owners usually have very wide and full rights.

Mr. BEAUDRY: I would start from the original premise that in order to be able to sell something, first you have to find a buyer. Your natural buyer would be one of the American networks. Is it not true that most of these networks are dedicated—and I realize that might not be the right word to use in these circumstances—to commercial telecasting, at least during the more favourable commercial hours.

The WITNESS: That is the situation.

Mr. BEAUDRY: That being so, the network itself is not fully independent in the selection of material, which is to a great extent in the hands of the person who is going to pay for the material—the sponsor?

The WITNESS: Yes. On the other hand we have felt that possibly some of our lighter entertainment programs might do very well in the States.

Mr. BEAUDRY: But you would still have to find and convince an American purchaser that for his commercial purposes something produced in Canada would be better than something he could produce himself in the United States?

The WITNESS: Yes.

Mr. BALCER: What is the revenue for the C.B.C. from Canadian programs like Imperial Oil Hockey on Saturday nights?

The WITNESS: Would you please hold that question for a minute or two while enquiries are being made.

Mr. HANSELL: While you are considering revenues, may I ask this question? Where you said in reply to a previous question by Mr. Balcer that the C.B.C. got 30 per cent of the revenue of a certain program, am I to conclude that the private stations got the other 60 per cent?

The WITNESS: No. I was discussing the American network programs coming into Canada. The total amount for network and station time, approximately 70 per cent goes elsewhere—to advertising agencies, American networks and so on. 30 per cent goes to the Canadian system, that is to the C.B.C., and to the private stations carrying the program.

Mr. HANSELL: I see. When a private station carries a commercial television program what revenue do they get? Do they get any?

The WITNESS: Yes, they get in the case of American network programs going on a Canadian network practically all the revenue there is in respect of their station. The network is charged for according to the stations included in the network. There is a charge for each, and in addition a communication charge. The Canadian stations in the case of an American program get practically all the money which the sponsor pays and which does not go to other agencies or networks.

Mr. HANSELL: I do not know whether the picture is clear in my mind yet. We will take the sponsored program which Mr. Balcer mentioned—"Cavalcade of Sports". They advertise razor blades. You have a contract with the Gillette people I fancy to carry that television program on your network which is composed of your own television stations plus the independent stations. Now, please, would you follow through the financial contract without mentioning any figures—I am not concerned about them. You can mention percentages.

The WITNESS: The network contract would depend very largely on the fact that a certain number of stations were to carry a program, against each of which there is an item for station charges. These are added together with a network communication charge, and that forms the charge to the sponsor for the carrying of that program on a specified network. Then of that amount, which is formed of the total of the stations' network rates and the network communications charge, about 30 per cent stays with the Canadian system, the C.B.C. and the private stations, and the stations get practically all—about 30 per cent—which is available for the Canadian system.

Mr. HANSELL: In that case you would not get very much?

The WITNESS: We and the private stations get rather less on the imported American programs than we do in connection with Canadian programs.

Mr. FLEMING: Is that card of yours too lengthy to put on the record?

The CHAIRMAN: You want this to be put on record, Mr. Fleming?

Mr. FLEMING: The rate card. I do not know what is on the back.

The WITNESS: The back shows particulars of various discounts and that sort of thing.

Mr. FLEMING: Would there be any harm in circulating copies of it among members?

The WITNESS: We have half a dozen.

Mr. FLEMING: I do not mean we should do so now, necessarily, but between now and the next meeting.

By Mr. Beaudry:

Q. To arrive at that figure of 30 per cent the sponsor buys through you station time for so many minutes. I am going to use theoretical figures. Let us assume that the total amount for sponsored station time is \$4,000, to which will be added line charges which I will theoretically set at \$500—so the original total charge is \$4,500 for the total cost of a program coming from the United States and relayed here. Do I understand that you have a first discount which I will call the regional discount?—A. The frequency discount comes first.

Q. That frequency discount will be—I am going to use a fairly high frequency—10 per cent?—A. That is the highest we have in television.

Q. Let us use one at 5 per cent.—A. Yes.

Q. So we would deduct 5 per cent or \$225 from that \$4,500. So it would be \$4,275 from which we would then take off the regional discount which could go as high as 20 per cent?—A. 20 per cent would be the top figure—that would include the French network. Actually 16 per cent would be more realistic.

Q. That makes it a bit more difficult to figure. Let us call it \$700. So you would be down to \$3,575?—A. I have not been checking the calculation.

Q. I am taking \$700 as being approximately 16 per cent of \$4,275.—A. Haven't you forgotten something, Mr. Beaudry—agency commission, for instance?

A. I am coming to that.—A. Then you would knock off another 15 per cent?

Mr. FLEMING: Mr. Beaudry always overlooks the agency commission.

By Mr. Beaudry:

Q. We would knock off 15 per cent of \$4,275. That is not quite right, because there is commission on line charges.—A. But it comes off near the top.

Q. So agency commission would run—without the figures being fully accurate—at about \$400?—A. Nearly \$600.

Q. \$600. Would there be any further deductions? What I am driving at is this: when you were referring to 30 per cent of the original receipts were you speaking of the 30 per cent of the original rate card or 30 per cent of the actual money received at the network?—A. It works out at 30 per cent of everything. It is an American show, and you are forgetting the very large amount going to the American network.

Q. The amount which is paid to the American network?—A. The amount paid or withheld in the first place.

Q. Would it be a percentage?—A. No, just about the same 30 per cent.

Q. Not paid for by the Canadian sponsor?—A. There may be a charge for commercial "cut-ins" in Canada.

Q. Against that there would be another from the American network of \$1,500?—A. It is about the same as comes to the Canadian system.

Mr. FLEMING: If we may get away for a moment from hypothetical calculations, could you bring us, at the next meeting, an actual calculation of revenue in respect to a couple of typical programs which go into the Canadian network from the United States. I think that might be constructive; it would be helpful if we could get some actual breakdown.

The CHAIRMAN: Have you any special programs in mind?

Mr. FLEMING: No.

The WITNESS: Yes, I will bring them here. I take it that you will not want the people concerned to be named.

Mr. FLEMING: That is all right. I won't ask you to identify them. I would just like to see some typical examples.

Mr. BOISVERT: How much does the C.B.C. get from the Imperial Oil for one performance of televising a hockey match? That will be the answer to Mr. Balcer's question.

The WITNESS: We shall have that information in just a minute.

The CHAIRMAN: Do not go too fast. There has been a barrage of questions ever since that film was shown, and I am going to ask Mr. Dunton not to request any more films be produced before members of the committee because they provided too much material for questions.

Mr. FLEMING: Are you afraid of that?

The CHAIRMAN: I am not afraid of that, neither is Mr. Dunton or his C.B.C. officials.

The WITNESS: I am wondering if it would save time if I could produce those details for Mr. Boisvert at the next meeting?

Mr. BALCER: Why can't we get three periods to these Imperial Oil shows on Saturday night?

The WITNESS: I think that should be taken up in other quarters with the hockey authorities.

Mr. BALCER: A lot of people are asking that.

The WITNESS: We ask it ourselves, but the matter has to be taken up with the hockey authorities.

Mr. DINSDALE: Are any telepics manufactured in Canada?

The WITNESS: I think there have been one or two, but nothing much.

Mr. DINSDALE: No private firms interested?

The WITNESS: I think a lot of people have discussed it, but I do not think that anything much has come to fruition yet. There may be some coming along and we are anxious to co-operate with anyone who wants to turn out a useful series; will go a long way in working in with them.

Q. Can the National Film Board enter this field?—A. We are using two series from them now, one done specially for television and one made up from older films originally made for other purposes.

Q. Can you use most of the National Film Board documentaries?—A. Most of their newer material, if it is for theatrical use is tied up for about two years and not available, but of course they make some things especially for television and we have first call on that.

Q. Can you use their "Eye Witness" series?—A. I think quite a lot of the stuff—the films—in "Window on Canada" has come from their other series.

Q. Are there any reserved rights or other difficulties in using N.F.B. material?—A. Usually those things are worked out by themselves. They simply offer their material to us at a price, and either we accept it or we do not.

By Mr. Goode:

Q. Can I ask Mr. Dunton to provide us at the next meeting with the net income with which the C.B.C. receives from our programs sold to other countries—programs originating on C.B.C.—and the income derived by American companies from American films shown over C.B.C.?—A. I think we can work that out. In one case it would amount to little or nothing.

By Mr. Holowach:

Q. I want to ask a question of Mr. Dunton concerning the relationship between the corporation and the unions, but I was unable to attract your attention because apparently everybody was very enthusiastic about the television picture. However, I would like to hear a little more about the subject I have mentioned. According to what you have explained to us, Mr. Dunton, it would

appear that the attitude of the unions determines to a great extent your position with regard to your programs and your productions. Would you say that is correct?—A. I would not say that. Most of the questions this morning have been concerned with whether we could do with some things which are not directly related to broadcasting to the Canadian public. If we want to use musicians or artists for broadcasting to the Canadian public then we are bound simply by the terms of our agreement or understanding with them.

Q. You gave us an example of a television production which might cost \$30,000. That is for only one show. In the event that you wanted to give a repeat performance you have to pay substantially more. Is that correct?—A. That is right.

Q. Has any approach been made to these people in order to eliminate what I consider to be a very great discrepancy there?—A. These things are discussed for years and days and weeks and the position which stands at any point is a result of negotiations which have gone on in times past. Some are going on at this moment.

Q. It is quite obvious that this is a cockeyed relationship. Surely in the case of a cultural effort of that kind the union should make some modification of their position and enable such a play to be seen by as large an audience as possible.—A. It is rather hard for me to be in the position of either defending or attacking the unions

Q. I think the unions serve a very useful purpose, but it seems to me that in this case their attitude is not a correct one.—A. I think there are a lot of things to be said on their side, though as I said it is harder for me to be in the position of defending their position. I think their claim is that they sell their services for a certain use—say for broadcasting in Canada, just for a broadcast. Then they say if it is going to be used for other things, they should be paid extra; if it is going to be used again, more people are going to see it and there should be more pay for them.

Q. You gave us an illustration of a source of revenue for the C.B.C. when you mentioned the Ed. Sullivan show. In that case they pay us, do they not?—A. That is right.

Q. And the case of the opera performance from the Metropolitan Opera Company, who pays in that case?—A. On sound. That is sponsored and we get paid for carrying it.

Q. Are there agent's fees in connection with that contract?—A. Oh, yes, there are in connection with all contracts when there are sponsored programs.

Mr. HOLOWACH: Thank you.

By Mr. Hansell:

Q. When you use the term "repeat performance" you mean a live repeat?—A. No, we have to pay if it has been recorded over a kinescope recording. It would be possible to do a live repeat, if we did it fairly soon after the original performance, much cheaper than the cost of the original production, because of course the scenes and costumes would still be available, and there would be less need for rehearsal.

Mr. GOODE: With regard to these fees—are there any payments made direct from the C.B.C. to the head office of the musicians' union, or is this just a matter of negotiations between you and your employees?

Mr. BUSHNELL: Are you thinking of the head office in Canada? Our actual procedure is that we pay the musicians ourselves and except in cases where a stand-by fee is demanded we do not pay anything to the locals.

Mr. GOODE: Is this stand-by fee not paid to the musicians themselves but to the office of the musicians' union?

Mr. BUSHNELL: That is correct.

By Mr. Carter:

Q. Your studio productions—the production of “Hamlet” for example involves a very high cost, and the figure of \$30,000 has been given. Would it be possible to give the committee any idea of what additional cost would be involved in making a film simultaneously with the production?—A. We have tried to estimate that. It is not an easy question to answer, Mr. Carter. The cost involved would have been at least \$20,000 more. Then the practical question arises that a film and a television production are not made in the same way. The performance given before the television cameras is complete in two hours, but the production of a film usually takes very much longer than that, and it is handled in a different way. Production costs are a good deal higher—film production in general is more expensive than television production. That is why it would be hard to estimate any accurate figure in reply to your question.

Q. If you could have produced a film of Hamlet, say, for \$100,000 it would be a very cheap production for a film of that type—the point I am trying to make is this: supposing that you found you would then be able to compete with other commercial productions . . .—A. There might be possibilities but if we were going to that expense we would surely be moving into real film production, and film production is not our business. I think we have enough trouble now. We are broadcasters. However, if we could develop some arrangement for exchange so that our material can be used in other markets and if we can get some satisfactory return for it, then obviously we shall be glad to do so. But I think we are probably leary about going into the production of films for the sake of producing them.

Q. The point I had in mind was that we are interested in exporting examples of our Canadian culture. It seems a pity that you would go to all that trouble and expense in arranging all the set-up there, and then for its use to be limited to the use you can make of it over your own television network. Would it be possible when you are producing a production of this type to enter into some arrangement with some Canadian movie producer who would rent your services or make some agreement with you to buy your services for his movie production?—A. You mean that he would move into our studios—or would we move into his?

Q. Whichever would be most convenient.—A. The essential thing is that in general there are two different forms of production.

An Hon. MEMBER: The technique is different.

The WITNESS: There are two different techniques and it would be very hard to combine the two. Our people are trying at the present time to work out some experiments for putting television shows on films, but basically there are two different techniques. I hope the point has not been lost, and that it will be remembered that shows such as the one we have been discussing are probably seen by as many or more Canadians than see most films—popular ones.

By Mr. Carter:

Q. I was just wondering whether there would not be a possibility of working out an agreement whereby both the C.B.C. and the Canadian movie producer would benefit, and it seems to me that such an arrangement would benefit the distribution of Canadian culture?—A. So far we do not know a way of doing it, but inquiries are under way to see if we can find a better way of recording some of our shows on film for use outside.

By Mr. Beaudry:

Q. Are there any permanent movie producers in the field?—A. Some people are anxious to get into production, and we would be happy to cooperate with them where that is possible.

Q. But today they are non-existent?—A. I would not like to make that positive statement because there have been some series turned out.

Mr. GOODE: May I move that we adjourn? It is a quarter to one.

The CHAIRMAN: Shall we adjourn?

Agreed.

Mr. FLEMING: I wonder if I could ask Mr. Dunton if he would bring some information to the next meeting of the committee? He has tabled a recapitulation of the number of the employees of the C.B.C. as at March 31, 1955. I wonder whether for the purpose of comparison he could bring us a table set up in the same way at March 31, 1953, and March 31, 1954, so that members of the committee may be able to see the increase in the number of employees engaged in television during this period and also have some idea of the effect on the number of employees engaged in sound broadcasting?

The WITNESS: Yes, I can do that.

The CHAIRMAN: Very well, we shall meet next Thursday morning and afternoon, and next Friday morning. We shall not meet this afternoon.

APPENDIX "A"

- 1. Number of C.B.C. Employees as at March 31, 1955.
- 2. List of C.B.C. Personnel working in Talks and Public Affairs Programming.

NO. 1

CANADIAN BROADCASTING CORPORATION
RECAPITULATION

Number of Employees as at
March 31, 1955.

	National Service	Inter- national Service	Television	Total
Executive	54	6	25	85
P & A Service	358	—	24	382
Treasurer's	248	—	27	275
Program	590	161	698	1,449
Engineering	621	23	544	1,188
Station Relations	21	—	—	21
Commercial	69	—	38	107
Press & Information	84	13	21	118
TV Crafts	—	—	348	348
Totals	2,045	203	1,725	3,973

LIST OF C.B.C. PERSONNEL WORKING IN TALKS AND PUBLIC
AFFAIRS PROGRAMME

Name	Position	Location
Frank W. Peers	Supervisor	Toronto
E. S. Hallman	Assistant Supervisor	Toronto
Helen D. James	Assistant Supervisor	Toronto
A. P. Stinson	Program Organizer	Toronto
Catherine MacIver	Program Organizer	Toronto
R. L. Weaver	Program Organizer	Toronto
Eric Koch	Program Organizer	Toronto
Mrs. M. McEnaney	Program Organizer	Toronto
G. V. Cullingham	Research Assistant	Toronto
Mrs. J. M. Irwin	Clerk Departmental	Toronto
Mrs. N. Smith	Stenographer	Toronto
Mrs. N. Bell	Stenographer	Toronto
Mrs. A. Wilkie	Stenographer	Toronto
Miss L. Costello	Stenographer	Toronto
Miss E. D. Sherr	Stenographer	Toronto
Miss A. L. MacDonald	Stenographer	Toronto
Miss E. E. Day	Stenographer	Toronto
Miss M. H. Riebold	Stenographer	Toronto
Reid Forsee	Radio producer	Toronto
Miss M. D. Cox	Radio producer	Toronto
Gordon Babineau	Radio producer	Toronto

Name	Position	Location
H. E. Pope	Radio producer	Toronto
Miss M. Markham	Radio producer	Toronto
Miss C. McIntyre	Stenographer	Toronto
Miss D. J. Curry	Stenographer	Toronto
Ross McLean	TV producer	Toronto
Desmond Smith	TV producer	Toronto
Cliff Solway	TV producer	Toronto
David Walker	TV producer	Toronto
R. Holmes	TV production assistant	Toronto
A. H. Partridge	TV production assistant	Toronto
A. P. H. Scott	TV production assistant	Toronto
Beverley Bartlett	TV script assistant	Toronto
Moir Flaherty	TV script assistant	Toronto
Verna Israel	TV script assistant	Toronto
Mary Wraggette	TV script assistant	Toronto
Christa Erdei	TV research assistant	Toronto
Michael Tait	TV research assistant	Toronto
Mary Matthews	TV stenographer	Toronto
Edmond Labelle	Supervisor (French)	Montreal
Miss L. Simard	Radio producer	Montreal
P. E. Chayer	Radio producer	Montreal
Andre Langevin	Radio producer	Montreal
Jean-Guy Pilon	Radio producer	Montreal
Miss V. Morency	Stenographer	Montreal
Miss A. Gervais	Stenographer	Montreal
Miss M. Lafontaine	Stenographer	Montreal
Mrs. M. Howes	Radio producer	Montreal
R. V. McCormack	Radio producer	Montreal
Miss M. J. Archambault	Stenographer	Montreal
Raymond David	Supervisor, Radio-College	Montreal
Marcelle Barthe	Radio producer	Montreal
Jacques Landry	TV producer	Montreal
Francis Coleman	TV producer	Montreal
Claude Desorcy	TV producer	Montreal
F. D. Scott	Radio producer	St. John's
Mrs. T. Neary	Stenographer	St.-John's
H. R. Hatheway	Radio producer	Halifax
Miss M. C. MacDonald	Stenographer	Halifax
D. L. Bennett	Radio producer	Ottawa
Mrs. D. L. Pilcher	Stenographer	Ottawa
Jacques Normand	Radio producer	Ottawa
Pierre Normandin	TV. producer	Ottawa
Spencer Moore	Radio producer	Winnipeg
M. Hind-Smith	Radio producer	Winnipeg
Mrs. N. Pigeon	Stenographer	Winnipeg
Miss S. Welby	Stenographer	Winnipeg
D. Browne-Wilkinson	TV producer	Winnipeg
John Hirsch	TV producer	Winnipeg
John Wilson	Radio producer	Regina
Ernest Mutimor	Radio producer	Edmonton
R. W. Patchell	Radio producer	Vancouver
Mrs. B. M. Marsh	Radio producer	Vancouver
Miss J. G. Holland	Radio production assistant	Vancouver
Miss J. F. Grout	Stenographer	Vancouver
Daryl Duke	TV producer	Vancouver
William Inglis	TV producer	Vancouver

